

DAILY REPORT

CONTENTS

China

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PRC INTERNATIONAL AFFAIRS

GENERAL

Wu Xueqian Receives ASEAN Foreign Ministers	A 1
Wu Xueqian Leaves New York for Home 27 Sep	A 1
Perez de Cuellar Praises Hong Kong Accord	A 1
RENMIN RIBAO Recalls UN Recognition of PRC [26 Sep]	A 2
XINHUA Reports on Gromyko Speech at UN	A 4

UNITED STATES

Reportage of U.S. Reaction to Hong Kong Agreement	B 1
Welcomed by Shultz	B 1
Shultz Congratulates Wu	B 1
Consul General Comments	B 1
Chinese-Language Papers	B 2

SOVIET UNION

Geological Delegation Leaves for USSR	C 1
Reporter Describes Soviet Border in Xinjiang	C 1
Part I	C 1
Part II	C 2

WESTERN EUROPE

Memorandum on Sino-UK Hong Kong Declaration	G 1
Reaction to PRC-UK Hong Kong Agreement Reported	G 2
Mass Organization Leaders	G 2
Wu Congratulates Howe	G 3
Chen Muhua	G 3
Rong Yiren	G 3
PRC Public Figures	G 4
Hong Kong Governor Youde	G 5
Everbright Director Wang	G 5
Hong Kong Public Figures	G 6
Hong Kong Residents	G 6
Foreign Secretary Howe	G 8
UK Politicians	G 8
RENMIN RIBAO Article [27 Sep]	G 9
CHINA DAILY Commentator [28 Sep]	G 10
Beijing Radio Commentary	G 11
Hong Kong Press	G 12
European Economic Community	G 12
FRG's Helmut Schmidt Continues Visit	G 13
Meets Zhao Ziyang	G 13
Views International Situation	G 13
[RENMIN RIBAO 26 Sep]	
Meets Deng Xiaoping	G 14
European Community Vice President Arrives 24 Sep	G 14
Meets With Chen Muhua	G 15
Trade Agreement	G 15

PRC NATIONAL AFFAIRS

Hu Qiaomu, Deng Liqun Hail New Publications	K 1
Yang Dezhi Attends Simulator Demonstration	K 1
Yu Qiuli Meets PLA Cadres in Zhejiang 25 Sep	K 2
Hu Qiaomu, Deng Liqun See Archaeological Display	K 2
Deng Xiaoping Writes Title for JINGJI RIBAO	K 2
Song Renqiong Visits Guangxi Glass Plant	K 3
RENMIN RIBAO Addresses Decentralization Concerns [21 Sep]	K 3
Deng Inscribes Masthead of 1st Women's Newspaper	K 5
HONGQI on Negating Cultural Revolution [No 17, 1 Sep]	K 5
GUANGMING RIBAO Urges Praise of Model Workers [22 Sep]	K 9
HONGQI CITES Deng Works on Wealth Policy [No 17, 1 Sep]	K 11
Slurs of Minorities To Be Removed From Chronicles	K 12
Achievements of Chinese Aerospace Industry Noted	K 13
[GUANGMING RIBAO 20 Sep]	
Computerization of Chinese Characters Described	K 13
Natural Science Viewed as Productive Force	K 14
[HONGQI No 17, 1 Sep]	

PRC REGIONAL AFFAIRS

EAST REGION

Shandong's Su Yiran Speaks on Party Rectification	O 1
Su Yiran Receives Shandong Model Workers	O 3

CENTRAL-SOUTH REGION

Guangdong First Secretary Urges Building Party	P 1
Guangdong's Ren Zhongyi Commends Households	P 1
Guangdong Circular on Implementing Price Control	P 2
Hainan Promotes Intellectuals to Leading Posts	P 2
Wei Chunshu Views Guangxi's Nationality Work	P 3
Stresses Unity	P 4

NORTH REGION

Zhou Hui at Nei Monggol Meeting on Enterprise Work	R 1
Profit Delivery Replaced by Taxes in Nei Monggol	R 1

NORTHEAST REGION

Heilongjiang Holds Party Rectification Session	S 1
Jilin Party Rectification Units Hold Meeting	S 1

TAIWAN

Reaction to PRC-UK Accord on Hong Kong	V 1
Premier Yu Kuo-hua	V 1
Foreign Ministry	V 1
Aid for Hong Kong Residents	V 2
Aviation, Shipping Cooperation	V 2
Taipei Radio Commentary	V 3

I. 28 Sep 84

3

CHINA

HONG KONG MEDIA ON CHINA

Youde Press Conference on PRC-UK Declaration
Editorial Discusses Nationality Issue
[SOUTH CHINA MORNING POST 28 Sep]

W 1
W 6

WU XUEQIAN RECEIVES ASEAN FOREIGN MINISTERS

LD271304 Beijing XINHUA in English 1152 GMT 27 Sep 84

[Text] United Nations, September 26 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian today expressed China's desire to "develop good neighborly and friendly relations with the ASEAN countries and to promote the friendship between the Chinese people and the peoples of the ASEAN countries."

At a luncheon at the Chinese mission to the UN in honor of the foreign ministers of the six ASEAN countries (Singapore, Malaysia, Brunei Darussalam, Thailand, the Philippines and Indonesia), the Chinese foreign minister said that in the past year "our friendly relations and cooperation with some ASEAN countries have made progress and mutual understanding between China and other ASEAN countries has been enhanced."

"Expanded friendly relations between China and the ASEAN countries and enhanced mutual understanding and cooperation are not only in conformity with the interests of the Chinese people and the peoples of the ASEAN countries, but also conducive to peace and stability in South East Asia and Asia as a whole," he noted.

Speaking on behalf of his counterparts of the other ASEAN nations, I.A. Rithauddeen, the Malaysian foreign minister, [title as received] pledged to continue ASEAN's efforts "in pursuit of regional peace, cooperation and friendship." He said that the ASEAN countries must continue to "help the Kampuchean people to free themselves from foreign domination and to resume their place in our community of nations as a free and independent nation."

Also present on the occasion were the permanent representatives to the UN of China and the six ASEAN nations.

The Chinese foreign minister also met here today with foreign ministers of Syria, Poland and Czechoslovakia.

WU XUEQIAN LEAVES NEW YORK FOR HOME 27 SEP

OW271914 Beijing XINHUA in English 1909 GMT 27 Sep 84

[Text] United Nations, September 27 (XINHUA) -- Wu Xueqian, Chinese state councillor and foreign minister and chairman of the Chinese delegation to the 39th session of the UN General Assembly, left here for home this morning.

Yesterday, Wu delivered a speech on peace and development at the General Assembly and spelled out China's positions on a number of outstanding international issues. During his stay here, the Chinese foreign minister also met with some heads of state or government and his counterparts from many countries and exchanged views with them on international issues and bilateral relations.

PEREZ DE CUELLAR PRAISES HONG KONG ACCORD

OW270100 Beijing XINHUA in English 0037 GMT 27 Sep 84

[Text] United Nations, September 26 (XINHUA) -- Javier Perez de Cuellar, secretary-general of the United Nations, issued a statement here today, congratulating the Governments of China and Britain on the joint declaration they had issued on the future of Hong Kong.

Perez de Cuellar commended the two governments for their remarkable and dedicated effort over the past two years to achieve a negotiated settlement of "a very delicate and complex issue."

"As secretary-general of the United Nations, I strongly believe in the virtues of quiet diplomacy as a way of resolving differences between nations, both at the bilateral and multi-lateral level," Perez de Cuellar said.

He added: "At a time when tension and confrontation unfortunately seem to prevail in so many parts of the world, the successful negotiations on the future of Hong Kong will undoubtedly be regarded as one of the most outstanding examples of effective quiet diplomacy in contemporary international relations. They are a tribute to the wisdom, perseverance and imaginative thinking of the two governments, and an encouragement to all those who believe that determination, political will and constructive dialogue can overcome the most formidable hurdles."

The UN secretary-general said that the Sino-British agreement "defines the modalities for the resumption of China's sovereignty over Hong Kong after 1997 and provides the framework for maintaining its stability and prosperity".

RENMIN RIBAO RECALLS UN RECOGNITION OF PRC

HK270256 Beijing RENMIN RIBAO in Chinese 26 Sep 84 p 7

[Article by Jin Chao. "An Historic Moment at the United Nations"]

[Text] On the night of 25 October 1971, the UN General Assembly adopted by an overwhelming majority the proposal on restoring all legitimate rights of the PRC at the United Nations and immediately driving out the representatives of the Chiang Kai-shek clique. This finally put an end to the irrational situation in which a great country with 25 percent of the world's population was excluded from the United Nations. Diplomatically speaking, this was a remarkable achievement of the people of China. This was also a victory for all people in the world, as well as for all countries that uphold justice.

China was one of the founders of the United Nations. In 1949, the people of China won the revolution and founded the PRC. Since then, the legitimate rights of China at the United Nations should of course go to the PRC. However, the U.S. Government at that time adopted a hostile attitude toward China. It continuously and stubbornly obstructed the restoration of the PRC's legitimate rights at the United Nations. In the 1950's, the United States controlled the voting machine under the pretext of not having an opportune moment. It peremptorily prevented the United Nations from including the issue on the representation of China on the agenda. Facing increasingly strong opposition, the United States changed this practice of "delaying discussion" beginning from 1961. On the one hand, it "agreed" to discuss the issue on the representation of China, and on the other, it continued to control the voting machine, and stood in the way. It obstinately said that the issue on the representation of China was the so-called "important question" that must be approved by a two-thirds majority. But this trick was also not supported by other countries. In 1970, the UN General Assembly adopted by a majority the proposal on restoring the legitimate rights of China at the United Nations. However, the issue on the representation of China remained unsettled because the United States forced the General Assembly to adopt the draft of the so-called "important question."

In order to continue to prevent the issue on the representation of China from being settled, the United States cooked up in 1971 a draft on "double representation," in addition to the proposal on handling the "important question." That is, China would be allowed to "enter" into the United Nations and would have a seat on the Security Council, while letting Taiwan hang on at the United Nations.

Though the United States produced such tricks, they were nothing but a conspiracy with the goal of splitting the sacred territory of China, and interfering in the internal affairs of China. Finally, it suffered a serious setback.

The special discussion on the representation of China was begun on 18 October 1971. In the course of the 7-day discussion, representatives of about 80 member countries delivered speeches at the meeting. In their speeches, most of the representatives of the member countries urged to return immediately China's seat at the United Nations to the legitimate representative of the people of China -- the PRC Government. Though the representatives of the United States maneuvered busily, the UN General Assembly first rejected by a majority vote the proposal of postponing the vote, which was put forward on the United States' instigation. Then, the assembly further rejected the U.S. proposal on the so-called "important question." By then the hall of the assembly was astir with jubilant crowds. The thunder-like applause lasted two minutes, and many representatives hailed and sang.

When the motion on restoring China's legitimate rights was about to be put to a vote, the U.S. representative again played another trick, asking to delete the passage about immediately expelling Taiwan's representative from the United Nations. This demand was rejected by the chairman of the General Assembly because it was strongly opposed by representatives from various countries. The motion on restoring all of the PRC's legitimate rights and interests in the United States was adopted. Consequently, the motion on the so-called "dual representation" concocted by the United States became a mere scrap of paper. At this moment, another inspiring scene appeared in the conference hall.

This vote of the UN general assembly was a hard blow to the U.S. Government which had all along been hostile to China and deliberately created "two Chinas." After the disclosure of their result of the vote, a U.S. delegate said depressively: This is a "humiliating moment" and "I am extremely disappointed." But he had to admit: "Nobody can avoid this fact, although it may be unpleasant. The result of the latest vote actually represented the opinion of most UN member-countries."

These are indeed the facts. People of all countries wished to establish friendly relations with the Chinese people. This was the general trend and the will of the people. Any force which attempted to resist this trend was doomed to failure.

Three weeks later, when the Chinese delegation attended the 26th UN General Session on 15 November, Malik, chairman of the General Assembly, delightedly pointed out in his welcoming speech: "This is a moment of historic significance." Then, delegates of all countries went up to the rostrum to deliver welcoming speeches. The meeting was scheduled to last for half a day, but it was extended to the evening because more and more delegates asked to deliver welcoming speeches. Many delegates in their speeches praised China for adhering to its independent diplomatic policy of safeguarding world peace, opposing hegemony, and strengthening unity and cooperation with the Third World countries. They also pointed out that the restoration of China's legitimate seat of the UN would greatly strengthen the role of the UN.

The restoration of the PRC's legitimate seat at the UN indicated the total failure of the U.S. policy isolating China. Since then, more and more countries have entered into diplomatic relations with China. China and Japan realized normalization of their diplomatic relations in 1972. China and the United States also established diplomatic relations in 1979. China has been playing a more important role in international affairs.

The restoration of the PRC's legitimate seat at the UN indicated the failure of one or two superpowers to impose their will on other countries.

After the restoration of its legitimate rights in the UN, China, together with the Third World countries and medium and small countries in the UN, immediately waged a struggle to safeguard the independence and sovereignty of all countries, to safeguard world peace, and to promote the progressive cause of the mankind. In April 1974, at a UN special meeting on researching raw material and development, Deng Xiaoping, the head of the Chinese delegation expounded China's diplomatic policy, resolutely supported the just demands of the Third World, and made joint efforts with all Third World countries. As a result, the meeting adopted two important documents reflecting the needs of the Third World, namely "A Declaration On Establishing a New International Economic Order," and "Program of Action," thus achieving positive results. When electing the Secretary General of the 36th UN General Assembly in 1981, China, proceeding from its consistent stand of supporting the Third World, played its role as a permanent member country of the UN Security Council in resisting superpower control over the election. After the struggle of 50 days, the election of the Secretary General was held satisfactorily. Perez de Cuellar became the first UN secretary general from a Third World country. [sentence as published] The facts over the past 10-odd years indicated that the joint struggle waged by China and the Third World countries in the UN has prompted radical changes in the UN. The Third World is playing an increasingly important role in the UN and the days are gone forever when the superpowers could control at will all UN affairs.

XINHUA REPORTS ON GROMYKO'S SPEECH AT UN

OW280806 Beijing XINHUA in English 07:46 GMT 28 Sep 84

[Text] United Nations, September 27 (XINHUA) -- Soviet Foreign Minister Andrey A. Gromyko today blamed the United States for blocking agreements on limiting nuclear weapons and on preventing militarization of outer space.

In his hour-long speech before the 39th session of the UN General Assembly, Gromyko, who will meet President Reagan tomorrow in Washington, said the Soviet Union, "stands for maintaining normal relations with the United States." But, at the same time, he implicitly rebutted President Reagan's proposal for regular U.S.-Soviet contacts put forward in his UN address, saying: "Juggling with words ostensibly in favor of negotiations is a false propaganda ploy." "It is precisely concrete deeds rather than verbal assurances that can lead to normalizing our relations with the U.S." he said.

The Soviet foreign minister accused Washington of harboring "deliberate intention to wreck the negotiations on nuclear arms -- both medium range and strategic." The central objective of U.S. policy, he said, is "to try to secure military superiority."

Gromyko also accused the Reagan administration of linking its foreign policy plans with the further stockpiling of nuclear weapons as well as other types of weapons of mass destruction.

Gromyko repeated many of Moscow's previously-stated positions on disarmament. But in his speech today he gave emphasis to the question of the militarization of outer space. The Soviet Union has already proposed an agenda item to discuss exclusive peaceful use of outer space.

Referring to China, Gromyko said, "The Soviet leadership has repeatedly stated its positions on questions of relations with the People's Republic of China. These positions are well-known. The Soviet Union stands for normal good-neighborly relations between the two great states."

In what many observers here consider an ironical statement on Afghanistan, Gromyko accused "the foes of the Afghan people" of organizing "military incursions from outside" and "interfering in the internal affairs of Afghanistan."

While Gromyko was addressing the General Assembly, a group of Afghans demonstrated in front of the UN building. One placard the demonstrators held read, "Soviet killers get out of Afghanistan."

Gromyko also blamed "outside forces" for aggravating the situation in South-East Asia. "Provocations against Vietnam, Laos and Kampuchea are going on unabated," he asserted.

On the Middle East, Gromyko said the United States relies on "strategic cooperation" with Israel and "has no intention of establishing durable peace in that region."

Attacking the United States for its interference in the internal affairs of some Latin American countries, Gromyko said the U.S. invasion of Grenada was "an act of banditry in defiance of the elementary norms of international law and morality."

On Soviet relations with West European countries, the Soviet foreign minister said Moscow has developed "normal and in a number of cases good and fruitful relations" with countries in that region.

Meanwhile, Gromyko called attention to what he described as "revanchist sentiments" and "hopes to revise the postwar realities in Europe." "We would caution against yielding to this dangerous frenzy and are calling for sobermindedness," he said.

U.S. Secretary of State George Shultz, commenting on Gromyko's speech, said to reporters afterwards, "It is sad and disappointing that Mr Gromyko should give us yet another misrepresentation of history and distortion of the peaceful and constructive role of the U.S. in world affairs."

"I can only say, as the President said on Monday, that we will try and try again to bring forth a more constructive relationship with the Soviet Union in the interest of world peace," he said.

REPORTAGE OF U.S. REACTION TO HONG KONG AGREEMENT

Welcomed by Shultz

OW262200 Beijing XINHUA in English 2117 GMT 26 Sep 84

[Text] Washington, September 26 (XINHUA) -- The U.S. Government welcomes the successful conclusion of two years of negotiations between the United Kingdom and the People's Republic of China over the future of Hong Kong, the U.S. State Department said in a statement today. The statement, issued on behalf of U.S. Secretary of State George Shultz, said: "The U.S. has a strong interest in the continued stability and prosperity of Hong Kong and believes the agreement will provide a solid foundation for Hong Kong's enduring future progress."

"In this regard, we have noted statements by both sides indicating that Hong Kong's way of life will be guaranteed for 50 years from 1997 and that systems existing in Hong Kong will continue in the special administrative region," it said. The statement continued: "We expect the American business communities, both in the United States and Hong Kong, will see in this agreement good reason for sustained confidence in the future of Hong Kong as an attractive and thriving commercial center."

Shultz Congratulates Wu

OW271103 Beijing XINHUA in English 1033 GMT 27 Sep 84

[Text] United Nations, September 26 (XINHUA) -- U.S. Secretary of State George Shultz today congratulated Wu Xueqian, Chinese state councillor and foreign minister, on the initialing of the Sino-British joint declaration on Hong Kong and told him that the United States welcomes the agreement.

During their meeting here this afternoon the two men also discussed Sino-U.S. relations and the Kampuchean issue. Present on the occasion were also Zhang Wenjin, Chinese Ambassador to the U.S., Ling Qing, China's permanent representative to the U.N. and Ma Xusheng, director of the Department of Soviet and East European Affairs of the Chinese Ministry of Foreign Affairs.

Consul General Comments

HK271501 Beijing ZHONGGUO XINWEN SHE in Chinese 1344 GMT 27 Sep 84

[Text] Hong Kong, 27 Sep (ZHONGGUO XINWEN SHE) -- Levin, U.S. Consul General in Hong Kong, pointed out: The U.S. Government considers that the Sino-British agreement on the Hong Kong question is a very good one. It will help maintain Hong Kong's prosperity and stability.

Levin was speaking at a press conference at the American Consulate General in Hong Kong today. He released to reporters the statement on the Sino-British agreement made by U.S. Secretary of State Shultz at a U.S. State Department news conference on the 26th. He also pointed out that Shultz' statement is a position statement on an unusually high level and a forceful one.

Levin especially stressed the last passage in Shultz' statement: "The United States will do all in its power to provide help in the close cooperation between the United Kingdom and the PRC so that Hong Kong can continue to participate in international organizations in a proper way."

Levin said: The United States will support Britain and China in maintaining Hong Kong's international status. If there is opposition from any quarter to Hong Kong's place in international organizations like the GATT, the United States will be behind Hong Kong, instead of taking action to reject Hong Kong's position in such international organizations. Levin felt that there would be no question about Hong Kong maintaining its status. He believed that there will be no real opposition to such arrangements for Hong Kong internationally. Levin also stressed that there is no reason to believe that the Sino-British joint declaration on the question of Hong Kong will not be satisfactorily implemented, because the joint declaration was reached by China and Britain with good will and in their common interest. This is very important.

While talking about future economic contacts between the United States and Hong Kong, Levin said U.S. business circles have all along paid close attention to the situation in Hong Kong and have a very good understanding of Hong Kong. Even while the talks on the Hong Kong question were in progress, U.S. businessmen did not reduce their investment in or their economic contacts with Hong Kong. The initialing of the draft agreement has provided a guarantee for foreign businessmen making investments in Hong Kong and developing business. With the addition of Hong Kong's favorable conditions in absorbing foreign capital, he expressed his belief that economic relations between the United States and Hong Kong will further develop.

On the issue of Hong Kong travel documents, Levin said the United States will accept all travel documents issued by the future Hong Kong Government. There will be no problem for the U.S. side to issue visas to Hong Kong people who wish to visit the United States. He also said the signing of the Sino-British agreement will not affect U.S. policy on accepting immigrants from Hong Kong. There will be no problem either on flights by U.S. airlines to Hong Kong.

Chinese-Language Papers

OW272016 Beijing XINHUA in English 1958 GMT 27 Sep 84

[Text] New York, September 27 (XINHUA) -- Chinese-language newspapers here carried editorials today warmly greeting the initialing of the Sino-British joint declaration on Hong Kong.

"China will resume the exercise of sovereignty over Hong Kong in 1997. All of the Chinese people with national self-respect, including Overseas Chinese, naturally feel excited about it," said CHINA DAILY NEWS. Considering Hong Kong's specific conditions and the desires of people of Hong Kong, the Chinese Government has agreed to pursue a policy of "one country, two systems", it said. "This is unprecedented in the world history. If this experiment of China's proves to be successful in the future, it will have far-reaching influence on international relations," the paper noted.

The PEIMEI NEWS said that it is "unusual" that China and Britain have initialled the joint declaration on the Hong Kong question. Any Chinese with a tinge of national self-respect will be happy about that. "Undoubtedly, the Hong Kong declaration would have an impact on Taiwan's eventual return to the motherland," the paper added.

Another newspaper, CENTRE DAILY NEWS, said that to all of the Chinese people, "Hong Kong's return to the motherland is a big event with great historic significance." The resumption of the exercise of sovereignty over Hong Kong by the Chinese Government through peaceful negotiations "is an unprecedented diplomatic success in modern times and it is also a historic credit to the Chinese nation," the paper emphasized.

GEOLOGICAL DELEGATION LEAVES FOR USSR

OW262050 Beijing XINHUA in English 1653 GMT 26 Sep 84

[Text] Beijing, September 26 (XINHUA) -- A Chinese geological delegation left here by train today on a three-week study tour to the Soviet Union.

The five-member delegation is led by Wen Jiabao, vice-minister of geology and mineral resources. It was seen off at the railway station by Zhu Xun, vice-minister of geology and mineral resources.

REPORTER DESCRIBES SOVIET BORDER IN XINJIANG

Part I

HK220708 Beijing ZHONGGUO XINWEN SHE in Chinese 0940 GMT 20 Sep 84

[Report by ZXS correspondent Tian Huiming: "A Stroll Along the Sino-Soviet Border -- Part I"]

[Text] Yining, 20 Sep (ZHONGGUO XINWEN SHE) -- I saw white poplars and red willows on both sides of the road as my jeep sped along the straight National Defense Highway toward the Sino-Soviet border -- the Huoerguosi Border Station in Yili Prefecture, Xinjiang.

I stopped in front of the grand border gate. Two young policemen were on duty as the gate. If you go 800 meters further and cross the Huoerguosi River, you will be within the borders of the Soviet Union.

The Huoerguosi customs post of the PRC is located south of the border gate. The Soviet trucks passing through daily are checked here. This is one of Xinjiang's two trading posts to the Soviet Union and 70 percent of Xinjiang's export goods are transported from this gate. The other one is the Turagurt trading post near Nanjiangkeshe. I saw many Soviet-made 20-ton trucks crossing at the border gate. After unloading the rolled steel, cement, cars, and other goods, they left the border carrying cloth, woolen sweaters, and other light industrial products.

The Soviet drivers cross the border in the morning and leave in the afternoon. They usually do not stay overnight. After lunch, the drivers always go shopping and buy leather jackets, thermos flasks, and Japanese-made radios.

Huoerguosi was a busy trading post during the 1950s and 1960s. The gate was closed in 1970 and only two persons were left at the Chinese customs post to take charge of postal matters because postal communications were never suspended between the two countries. The two trading posts in Xinjiang opened simultaneously on 16 November 1983. Now although Huoerguosi past has a dozen customs officers, they are still understaffed. More than a hundred Soviet trucks cross the border daily and there is a continuous flow of Soviet citizens crossing the border to visit their relatives.

The blocks of white houses located to the north of the border gate are respectively the border station, the checkpoint, and the meeting room. An observation tower has been erected at the end of the houses. When I entered the courtyard, I saw a little stream running around the walls of the courtyard. There were willows and poplars on one side of the stream and a flower terrace and two basketball courts at the center of the courtyard. The back of the courtyard was covered with apricot trees. There was also an apple orchard in the east of the courtyard. The fresh, red apples hanging on more than a hundred apple trees sent forth wafts of delicate fragrance. The hosts living in the orchard are officers and men of the PLA and come from all corners of the country.

Among the officers and men at the meeting room, there are several university graduates, station heads, and deputy heads who can speak fluent Russian. The border station is responsible for patrols. They patrol sometimes on foot and sometimes on horseback or in vehicles.

When night falls the border becomes dark and still.

Part II

HK220712 Beijing ZHONGGUO XINWEN SHE in Chinese 0757 GMT 21 Sep 84

[Report by correspondent Tiar. Huiming: "A Stroll Along the Sino-Soviet border -- Part II"]

[Text] Yining, 21 Sep (ZHONGGUO XINWEN SHE) -- Some hundreds of meters from the Huoerguoshi border station in Yili Prefecture, Xinjiang, is the Huoerguoshi River, which separates China from the Soviet Union. The river meanders from south to north and the water is so clear that you can see the pebbles at the bottom. There is a bridge across the river built jointly by China and the Soviet Union. There are sentry posts built on both sides of the bridge. If you stand on the east of the bridge and look westward, you will be able to see the border gate of the Soviet Union not far away and the hammer-and-sickle-national emblem with the letters CCCP hanging on top of the gate. If you look further west, you will see a village a thousand meters away covered with thick trees. It is said that the border station of the Soviet Union is there. Occasionally, you may clearly hear barking from the opposite side. One may well say that "the crowing of their roosters and the barking of their dogs are within each other's hearing."

The boundary bridge across the Huoerguoshi River is 16 meters long and 8 meters wide. As the bridge connects both sides, the central point of the bridge is the line of demarcation between the two countries. The "bridge talks" full of political flavor are usually held at this point. If people want to cross the border or carry out construction, if there is a fire, flood, or other accident, and if any unfortunate event takes place, it will be necessary to remind the other side to hold talks. If either side wants to meet the other, they first hoist a red flag at the sentry post. If the other side agrees to meet, they also hoist a flag. Then, the representatives and interpreters from both sides immediately meet at the center of the bridge. According to protocol, both sides salute each other and begin the talks after shaking hands.

If major events occur, it is necessary to hold talks. The talks are held in the meeting room of the side which makes the demand. However, the other side should be informed of the subject and time of the talks 3 or 4 days in advance. On the day of the talks, the host should await the arrival of the guest at the entrance of his own border gate. After the guest arrives, both drive directly to the meeting room.

The meeting room on the Chinese side is in a villa with a meeting room, a dining room, two lounges, and a drawing room. The rooms are furnished with carpets, tapestries, and palace lanterns. There are also the national flags of both China and the Soviet Union on the rectangular negotiating table. It is in this room that the two sides sometimes engage in a battle of words or sometimes exchange words of everyday or holiday greetings.

When I strolled along the Sino-Soviet border, on the Soviet side, I saw one observation tower after another a few li apart and the iron net stretching a long distance. Soviet jeeps sped along the border, raising a cloud of smoke.

MEMORANDUM ON SINO-UK HONG KONG DECLARATION

LD261555 Beijing XINHUA in English 1520 GMT 26 Sep 84

[Text] Beijing, September 26 (XINHUA) -- Following are the full texts of the two memoranda of the Chinese and the British sides in connection with the Sino-British joint declaration on the Hong Kong question initialled here today:

Memorandum

In connection with the Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the question of Hong Kong to be signed this day, the Government of the United Kingdom declares that, subject to the completion of the necessary amendments to the relevant United Kingdom legislation:

(A) All persons who on 30 June 1997 are, by virtue of a connection with Hong Kong, British dependent territories citizens (BDTCs) under the law in force in the United Kingdom will cease to be BDTCs with effect from 1 July 1997, but will be eligible to retain an appropriate status which, without conferring the right of abode in the United Kingdom, will entitle them to continue to use passports issued by the Government of the United Kingdom. This status will be acquired by such persons only if they hold or are included in such a British passport issued before 1 July 1997, except that eligible persons born on or after 1 January 1997 but before 1 July 1997 may obtain or be included in such a passport up to 31 December 1997.

(B) No person will acquire BDTC status on or after 1 July 1997 by virtue of a connection with Hong Kong. No person born on or after 1 July 1997 will acquire the status referred to as being appropriate in sub-paragraph (A).

(C) United Kingdom consular officials in the Hong Kong special administrative region and elsewhere may renew and replace passports of persons mentioned in subparagraph (A) and may also issue them to persons, born before 1 July 1997 of such persons, who had previously been included in the passport of their parent.

(D) Those who have obtained or been included in passports issued by the Government of the United Kingdom under sub-paragraphs (A) and (C) will be entitled to receive, upon request, British consular services and protection when in third countries.

Memorandum

The Government of the People's Republic of China has received the memorandum from the Government of the United Kingdom of Great Britain and Northern Ireland dated... 1984.

Under the nationality law of the People's Republic of China, all Hong Kong Chinese compatriots, whether they are holders of the "British dependent territories citizens' passport" or not, are Chinese nationals.

Taking account of the historical background of Hong Kong and its realities, the competent authorities of the Government of the People's Republic of China will, with effect from 1 July 1997, permit Chinese nationals in Hong Kong who were previously called "British dependent territories citizens" to use travel documents issued by the Government of the United Kingdom for the purpose of travelling to other states and regions.

The above Chinese nationals will not be entitled to British Consular protection in the Hong Kong special administrative region and other parts of the People's Republic of China on account of their holding the above-mentioned British level documents.

REACTION TO PRC-UK HONG KONG AGREEMENT REPORTED

Mass Organization Leaders

OW262004 Beijing XINHUA in English 1949 GMT 26 Sep 84

[Text] Beijing, September 26 (XINHUA) -- The initialing of the Sino-British Joint Declaration on the Hong Kong question was a historic event which accords with the interests of all Chinese people, including the Hong Kong compatriots. This is the consensus of views expressed by Chinese mass organization leaders and public figures here today. China and Britain solved the Hong Kong question through talks in a spirit of friendly cooperation, and initialed a joint declaration here this morning.

Commenting on the event, Ni Zhifu, president of the All-China Federation of Trade Unions, said that the Chinese workers rejoice at the joint declaration for it reflects the long-cherished aspirations of the Chinese people. He said the policies the Chinese Government would take in Hong Kong after 1997 would conform to the fundamental interests of the people of the whole country, including the compatriots in Hong Kong. "The declaration also explicitly guarantees the just rights of workers in Hong Kong, which we fully endorse," he stated.

Kang Keqing, president of the All-China Women's Federation, said that Chinese women are glad to see that the problem left over from history has been resolved appropriately through negotiations, and the agreement creates favorable conditions for guaranteeing Hong Kong's stability and prosperity.

Chairman of the All-China Federation of Taiwan compatriots Lin Liyun told XINHUA that a smooth solution to the Hong Kong question is undoubtedly a stimulus to the efforts for the return of Taiwan to the motherland and the peaceful reunification of the country. Lin described the initialing of the joint declaration as a great happy event for the people of the whole country. The imaginative concept of "one country, two systems" was also applicable to the Taiwan issue, she said.

Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, called the initialing of the joint declaration in the spirit of mutual understanding and through peaceful negotiations a thing "worthy of esteem", which would surely exert a great influence in the world. He said that it was unprecedented for China to adopt the "one country, two systems" policy in guaranteeing Hong Kong's stability and prosperity. He believes that the agreement just reached not only conforms to the interests of the Chinese and British people but has also made a valuable contribution to world peace.

The initialing of the joint declaration has laid a foundation for the solution to the Hong Kong question, said Qu Wu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference. Qu said that the joint declaration shows that the imaginative concept of "one country, two systems" not only safeguards China's sovereignty but also ensures the stability and prosperity of Hong Kong. Of course, he said, to bring the agreement to fruition still requires common efforts and close cooperation between the two sides. Qu called on the Hong Kong compatriots to maintain the spirit of patriotism, be united, and make contributions to the return of Hong Kong to the motherland. He expressed his conviction that the future of Hong Kong is full of hope.

Wu Congratulates Howe

OW262156 Beijing XINHUA in English 2124 GMT 26 Sep 84

[Text] United Nations, September 26 (XINHUA) -- Wu Xueqian, Chinese state councillor and foreign minister, met at the U.N. headquarters here today with Sir Geoffrey Howe, the British foreign secretary, and exchanged congratulations with him on the publication of the Sino-British joint declaration on Hong Kong. Wu told the press after his meeting with Howe that this declaration "confirms that China will resume the exercise of sovereignty over Hong Kong as from 1 July 1997, and provides for specific arrangements based on the idea of 'one country, two systems' to ensure the maintenance of the stability and prosperity of Hong Kong".

"After two years' talks, the Chinese and British Governments have succeeded in overcoming all kinds of obstacles and finally reached a comprehensive agreement," he recalled. "The delegations of the two countries have displayed in the process of the talks a cooperative spirit of reasonableness, mutual trust and mutual understanding," Wu commented.

The Chinese foreign minister reaffirmed that the agreement "has taken into consideration the history of Hong Kong and its realities as well as the interests and aspirations of all the parties concerned." "The satisfactory settlement of the Hong Kong question is the result of the joint efforts of the leaders of China and the United Kingdom and also shows the sensible attitude and far-sightedness of the British leaders," Wu added. He said that "We believe that the satisfactory settlement of the Hong Kong question will contribute to the progress of the cause of China's reunification and the future strengthening and development of the Sino-British friendly relations on a new basis as well as to peace and stability in Asia."

Chen Muhua

LD261613 Beijing XINHUA in English 1532 GMT 26 Sep 84

[Text] Beijing, September 26 (XINHUA) -- Chen Muhua, state councillor and minister of foreign economic relations and trade, told XINHUA today that the initialling of the Sino-British joint declaration on the Hong Kong issue after 22 rounds of talks was "an auspicious event worthy of congratulations." It demonstrated that both governments were willing to solve the problem left over from history by proceeding from the desire for the two countries and two peoples to live in friendship for a long time to come, she said.

She added that the settlement of this issue conformed to the fundamental interests of the Chinese and British peoples and was conducive to the development of the friendly relations of cooperation between the two countries and the friendship between the two peoples, to the maintenance of the stability and prosperity of Hong Kong, and to the expansion of economic cooperation and trade between China and Britain.

Rong Yiren

OW270844 Beijing XINHUA in English 0821 GMT 27 Sep 84

[Text] Beijing, September 27 (XINHUA) -- Rong Yiren, leader of the Chinese legislature, said today he believed that the legislative bodies of China and Britain would ratify their joint declaration on Hong Kong initialled yesterday. Rong, who is vice-chairman of the National People's Congress Standing Committee, said in an interview with XINHUA that the declaration was in the interest of both peoples.

It would bring new benefits to Hong Kong and the rest of China, said Rong, who is also chairman of the China International Trust and Investment Corporation (CITIC). It would also contribute to the prosperity and stability of Hong Kong, which was the primary concern of people there and those on the mainland, he added. Rong announced that CITIC's Hong Kong branch would extend its scope of business in support of local economic development.

To cope with future business expansion, he has appointed Mi Guojun, former alternate representative of China to the United Nations, general manager of CITIC in Hong Kong and Zhuang Shouchang, a specialist in international economics, its deputy general manager.

"From now on there will certainly be increased economic exchanges and cooperation between Hong Kong and the rest of China," Rong said. "This inter-supporting relationship will benefit China's economic development and the prosperity and stability of Hong Kong," he added. China for many years provided Hong Kong with large amounts of raw materials, fuel and farm produce, while opening a vast market for Hong Kong products. In return, Hong Kong played a large role in promoting China's trade and economic cooperation with countries overseas, he said.

"The 'one country, two systems' concept and the special policies announced by the Chinese Government will provide strong guarantees for Hong Kong's prosperity and stability. "Helping maintain that prosperity and stability is our national policy and the common desire of all the Chinese people, including those in Hong Kong," he said. "The people of China are working hard to develop their economy and improve their living standards. They also hope that their compatriots in Hong Kong can continue to live in peace and happiness."

Rong also welcomed the British Government's "realistic" attitude toward the question of Hong Kong, and its commitment to the smooth transfer of government as announced in the joint declaration. He hoped that the British would take positive measures to ensure Hong Kong's continued prosperity and stability during the 13-year transition period leading up to 1997.

PRC Public Figures

OW271638 Beijing XINHUA in English 1621 GMT 27 Sep 84

[Text] Beijing, September 27 (XINHUA) -- The initialing and publication of the Sino-British joint declaration on the Hong Kong question was hailed today by public figures in various parts of China.

Tao Dayong, an economist who lived in Hong Kong in the 1940s, said here today that when China realized its modernization Hong Kong would have record prosperity. Tao, who is also an advisor to the research center on Hong Kong and Macao economy, said there were two indicators of Hong Kong economic stability, the continued rise of the Hang Seng Index and the continued flow of U.S. and Japanese capital into Hong Kong. While serving as an important market for goods made in Hong Kong, the mainland also provided Hong Kong with its daily necessities. The two could not be separated, he said.

In Guangdong, Guo Dihuo, whose family founded Hong Kong's Wing On Investment Company (China) Ltd., recalled Shanghai's liberation when he was in charge of the company's textile mills there. He said that Chen Yi, then mayor of the city and later Chinese foreign minister, assured him of the government's policies. From his own experience he came to learn that the Chinese Government kept its word. This would also apply to Hong Kong.

I. 28 Sep 84

G 5

PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

In Fujian, ancestral home of many Hong Kong people, Guo Ruiren, vice president of the All-China Federation of Returned Overseas Chinese, said that China's recovery of sovereignty was an important event for the Chinese. Guo, who has lived in Singapore and Indonesia, said Hong Kong, for more than one hundred years, was a place where a lot of Chinese sold themselves as 'piglets'. It recalled their shame as Chinese. He was glad of the coming end of this period.

In Shanghai, China's largest industrial city, Liu Jingji, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, welcomed further cooperation between the city and Hong Kong. He said he was working with Hong Kong financial circles to establish an association to promote Shanghai's economic development and Hong Kong's prosperity.

Hong Kong Governor Youde

OW262040 Beijing XINHUA in English 2026 GMT 26 Sep 84

[Text] Hong Kong, September 26 (XINHUA) -- Hong Kong Governor Edward Youde here today termed the Sino-British joint declaration initialled in Beijing as "an historic agreement" that "constitutes a blueprint for a new stage in Hong Kong's development." Youde made the remarks at the Hong Kong Legislative Council meeting this evening on his return from Beijing, where he took part in the initialling ceremony this morning.

In his speech, Youde described the concept of "one country, two systems" put forward by Chinese leaders as "far-sighted and imaginative". He declared that the agreement published today squarely meets the essential requirements for continuity of the social and other systems in Hong Kong and for giving Hong Kong and the world confidence in its future. "I can say without hesitation that the agreement provides a sound basis on which the community in Hong Kong can build its future," he said.

Everbright Director Wang

HK261032 Beijing XINHUA Hong Kong Service in Chinese 0753 GMT 26 Sep 84

["Wang Guangying Says the Joint Declaration Will Bring a Bright Future to Hong Kong" -- XINHUA headline]

[Text] Hong Kong, 26 Sep (XINHUA) -- At an interview with XINHUA today, Wang Guangying, managing director of the China Everbright Holdings Co. Ltd., warmly welcomed the joint declaration on the Hong Kong issue initialled by China and Britain.

Wang Guangying said: After holding talks for more than a year on the future of Hong Kong, China and Britain have finally initialed the joint declaration in Beijing. This is an inspiring, excellent event. This not only will bring bright prospects to the prosperity and stability of Hong Kong, but also provides a brilliant example for solving similar international problems left over by history. I warmly welcome the initialing of the joint declaration.

Wang Guangying pointed out: Backed by the motherland and facing the world, Hong Kong has maintained increasingly closer economic relations with the Chinese mainland in recent years. These relations will, undoubtedly, develop further with the initialing of the joint declaration. Ever since the news that the joint declaration would be initialed soon was broken, Hong Kong's market has grown day by day, and the public has been reassured. This shows that the joint declaration is welcomed by the overwhelming majority of the people.

Before concluding, Wang Guangying said that being engaged in trade in Hong Kong, he would be very willing to unite and cooperate more closely with people from industrial and commercial circles in the future and join them in making more and greater contributions toward making the motherland prosperous and powerful and toward making Hong Kong prosperous and stable.

Hong Kong Public Figures

OW270813 Beijing XINHUA Domestic Service in Chinese 0322 GMT 27 Sep 84

[Text] Hong Kong, 27 Sep (XINHUA) -- Public figures from all circles in Hong Kong warmly hail and highly praise the joint declaration initialed by China and the United Kingdom on the Hong Kong question.

Ni Shaojie, president of the Chinese Business firm federation in Hong Kong, said: China has ensured that after it resumes sovereignty, the social and economic systems of Hong Kong will remain unchanged for 50 years. This will attract foreign investment as well as stimulate investment by the people of Hong Kong. It will be in the interest of the economic development of both China's mainland and Hong Kong.

Ding Heshou, president of the Hong Kong General Industrial Association, said: Hong Kong can now enjoy prosperity because its people can work hard in the present environment, certain that it will become even more prosperous in the future when administered by knowledgeable and experienced Hong Kong people.

Rao Zongyi, honorary professor, and Du Shoujin, senior lecturer of the Chinese University of Hong Kong, expressed the opinion that the joint declaration has charted the future road for Hong Kong, which is full of promise.

Liu Huangfa, speaker of the Council of the New Territories of Hong Kong, said: In Hong Kong, the land and economy are very closely related. The measures drawn up with regard to land rights, terms, and premiums all meet the demands of the Hong Kong people. This will have an enormous impact on the social stability and economic development of Hong Kong.

Celebrated movie star Xia Meng said that the wise stand taken by the British Government leaders in initialing the joint declaration will surely be praised by people throughout the world.

Fifteen councilors, elected by the people, of the Hong Kong Administrative Bureau published a joint news dispatch, saying that they welcome the Sino-British joint declaration and will greet and accept this historical change, which conforms with the trend of the times.

Hong Kong Residents

OW271409 Beijing XINHUA Domestic Service in Chinese 1835 GMT 26 Sep 84

[Text] Hong Kong, 26 Sep (XINHUA) -- With great consolation, the large number of residents in Hong Kong today are jubilantly celebrating the initialing and publication of the joint declaration on the Hong Kong question by the Chinese and British Governments

From 0900 hours this morning, people waited in front of television sets to watch the ceremony initialing the accord, which was to be held in the Great Hall of the People in Beijing and televised live via satellite. After 1800 hours this evening, they continued to watch the broadcast of the text of the "joint declaration," its annexes, a talk by Hong Kong Governor Youde at the Legislative Bureau on the "joint declaration," and a discussion meeting, organized by the television station, of celebrities from all circles.

At various distribution points, residents stood in a long line to receive copies of the initialed accord in pamphlet form, printed and distributed by the Hong Kong Government and the XINHUA Hong Kong branch. In tea houses and restaurants, which are open all day long, everyone was seen reading, with full attention, newspaper articles about the initialed accord.

Hong Kong's major newspapers all frontpaged news on the initialing of the accord. Some newspapers even published extra editions or printed long articles and pictures reviewing the process of the Sino-British negotiations. An editorial commentary by HUAQIAO WANBAO [OVERSEAS CHINESE EVENING NEWS] said: The initialing of the accord has solved the question between China and Britain left over from history for nearly one hundred years. It has also decided the future of the residents of Hong Kong. The day of the initialing of the accord is a big day for both the Chinese and the British Governments, as well as the residents of Hong Kong. An editorial commentary in XIN BAO said: With the excitement today, we should expect that the initialing of the accord will bring us good days. We should also drink to the new friendly spirit in which China and Britain jointly erased Hong Kong's regrettable history and created a new situation in cooperation.

Many Hong Kong celebrities expressed their feelings on the "joint declaration" at various discussion meetings held on 26 September. Hui Dian Society Chairman Liu Naiqiang pointed out: "The Sino-British Joint Declaration is the result of very successful negotiations, which embodied friendliness, mutual understanding, and accommodation between the Chinese and British sides." Dr Xue Fengxuan, a geography and geology lecturer at Hong Kong University, said: The transition for Hong Kong, which has been under foreign rule for more than a century, comes very peacefully. We must strive to build a new Hong Kong so that it will serve as a successful example of one country under two systems. Liu Huangfa, chairman of the New Territories Rural Council, said: The land problem is one of the major problems of greatest concern to the people of Hong Kong. Now the issues of land ownership, terms for annual leases, and payment of an additional premium have met the demand of Hong Kong residents. This will greatly contribute to social stability and economic development in Hong Kong.

Chairman Wang Kuancheng and Vice Chairmen Tang Bingda, Huo Yingdong, Ye Ruolin, and He Shizhu of the Hong Kong Chinese General Chamber of Commerce gathered at the chamber this morning and held a discussion meeting after watching the television program. They pointed out: The initialing of the "joint declaration" will stabilize public feeling in Hong Kong, thus contributing to Hong Kong's economic development. They also believe that the idea of two systems under one country and the retention of Hong Kong's present capitalist system for 50 years after 1997 will be beneficial to Hong Kong's stability and prosperity, and that they, as industrialists or businessmen in Hong Kong, have a responsibility for Hong Kong's economic development, stability, and prosperity. Li Fuzhao, chairman of the Hong Kong Far East Stock Exchange, said: The initialing of the "joint declaration" has a stabilizing effect. I believe that the financial circles will continue to prosper. Huang Peiqiu, member of the Hong Kong China Export and Import Council, said: The initialing of the "joint declaration" is heartening news. It ensures the prosperity and stability of Hong Kong.

The Foreign Employees Trade Union, the Chinese Clerks Association, the Hong Kong and Macao Small Businessmen's Association, and other mass organizations held separate cocktail parties this evening to celebrate the initialing of the Sino-British "joint declaration." More than 300 representatives of various trade unions under the Hong Kong and Macao Federation of Trade Unions, which has the largest membership, held a discussion meeting at the Tuguawan Workers' Club.

In a speech, federation Chairman Yang Guang called on workers to be united with people in all walks of life in Hong Kong and, in the spirit of loving the motherland and Hong Kong, contribute to the maintenance and development of Hong Kong's prosperity and stability.

Foreign Secretary Howe

OW262206 Beijing XINHUA in English 2113 GMT 26 Sep 84

[Text] New York, September 26 (XINHUA) — The joint declaration on the Hong Kong question published in Beijing, London and Hong Kong today "is a historic and remarkable one", commented Sir Geoffrey Howe, the British foreign secretary, at a news conference here today. "The prime minister and I have no doubt that the agreement is a good agreement and one which we can confidently commend to the Hong Kong people and British Parliament," he said.

He told the press that "today marks the end of many months of intensive negotiations" and "the beginning of a much longer period of cooperation between the British and Chinese Governments, on the basis of still closer and warmer relations". The British foreign secretary pointed out that "the aim which has guided the British and Chinese negotiators is the maintenance of the stability and prosperity of Hong Kong".

Howe said that the agreement "enshrines the imaginative concept of 'one country, two systems.' Moreover the agreement takes proper account of the interests of both sides, including the enormous interests that Britain and China share in Hong Kong's continuation as the dynamic society it is today," he added.

UK Politicians

OW270733 Beijing XINHUA in English 0719 GMT 27 Sep 84

[Text] London, September 27 (XINHUA) -- Politicians from all the main British parties yesterday gave a "broad welcome" to the Sino-British joint declaration on the question of Hong Kong, according to the London newspaper TIMES today. "There seems little doubt that the government will be able to get it approved by Parliament without too much difficulty," the paper said.

According to the newspaper, Chairman of the Tory Party Backbench Foreign Affairs Committee Sir Peter Blaker said that the Conservative Party would be happy, provided that the people of Hong Kong took the same view.

Labor Party's foreign affairs spokesman George Robertson said the agreement was generally good. "Its strength came from the government's acceptance of the historical reality facing Hong Kong," he said.

Leader of the Social Democratic Party and former Labor Foreign Secretary David Owen said that the determining factor on whether the agreement was upheld and Hong Kong continued to thrive was "the depth and strength of Anglo-Chinese relations: the terms were probably the best that were obtainable."

The Liberal Party's foreign affairs spokesman Russell Johnston said that China's willingness to contemplate the concept of "one country, two systems" "can provide the basis of a stable future for Hong Kong."

RENMIN RIBAO Article

HK271419 Beijing RENMIN RIBAO in Chinese 27 Sep 84 p 4

[Article by RENMIN RIBAO reporters Huang Jichang and Xu Wei: "After the Joint Declaration Was Initialed"]

[Text] At 1000 on the morning of 26 September 1984, a ceremony was held in the west hall of the Great Hall of the People for the Chinese and British Governments to initial the joint declaration on the question of Hong Kong. The heads of the two delegations took their seats at the table at the same time and later took pens to initial the texts on behalf of their respective governments.

After the ceremony there was an enlivened atmosphere in the meeting hall. We met Cheng Hsiang, a resident correspondent of Honk Kong's WEN WEI PO in Beijing, and he said he was very excited to witness the scene. In a spirit of friendly cooperation and mutual understanding, the Chinese and British Governments have reached a satisfactory agreement on the question of Hong Kong. The agreement conforms to the fundamental interests of the 1 billion Chinese people, including the Hong Kong compatriots. Tseng Hui-Yen, a female reporter of Hong Kong's KUAI BAO [EXPRESS] said: Being a reporter from Hong Kong and a Chinese, how could I not be excited when I attended this ceremony? Now the text, has been initialed and the general situation settled. It is hoped that the two governments will conscientiously fulfill their promises in order to ensure the stability and prosperity of Hong Kong.

After the conclusion of the initialing ceremony, we interviewed Xia Yan, who is familiar with the situation of Hong Kong. Upon hearing the news he told the reporters how he felt about it. He said: This "joint declaration" is a far-sighted and reasonable document. During the war of resistance against Japan, I lived in Hong Kong for 3 years and was engaged in cultural work there. I know very well the complexity of the Hong Kong question. Through patient negotiations, the Chinese and British Governments have finally reached a satisfactory agreement. This provides a fresh and useful experience for solving problems left over from history between countries and will certainly enjoy the appreciation and support of people throughout the country and throughout the world. I would like to take this opportunity to extend congratulations to my friends in Hong Kong's press, literature, and art circles.

At 1900 that day, many people listened to the broadcast announcing the initialing of the "joint declaration" by the Chinese and British Governments. Elated at the news, they began to discuss this great historic event. Ning Xinran, a young worker at the Beijing No 1 Cotton Mill, told our reporter after hearing the broadcast: "In the drive to study about rejuvenating China, I studied modern Chinese history and I understand the historical background of the Hong Kong issue. Today we finally put an end to this historical humiliation. As a young Chinese I am proud of my motherland. Shuo Wang, a poet who had stayed in Hong Kong for a time, wrote the following poem after hearing the exciting news about Hong Kong that evening:

The moon shines on Humen harbor in the silent autumn night
And ships go to and fro in the sea, glittering with lights.
The northern part of our country is flourishing,
And people on the southern island are excited to see the motherland progressing.
When writing poems I always recall my poor friend who passed away during her stay in Hong Kong (refers to death of woman writer Xiao Hong in Hong Kong in 1942),
And since her death the city has undergone so many changes due to the great efforts of its hardworking and economic-minded people.
The fate of the world is eternally changing and it is now China's turn to be rejuvenated.
What an unprecedented and encouraging situation this is!

We also interviewed some noted people in Beijing. Cheng Siyuan, Standing Committee member and concurrently deputy secretary general of the CPPCC, told us: "The resolution of the Hong Kong question is an important event for the Chinese nation. All offspring of the Yellow Emperor are bound to be inspired by this news." Prior to the liberation of the country, Cheng Siyuan was a member of the legislative council of the KMT. After the victory in the war of resistance against Japan, he and some other patriotic people in the KMT proposed the regaining of sovereignty over Hong Kong to Chiang Kai-shek on several occasions. However, the KMT authorities ignored the proposal. Cheng Siyuan said with deep feeling: "Today, it is the CPC which has finally put an end to this part of the history of humiliation."

Li Chunqing, chairman of the Taiwan Democratic Self-Government League, told us about his feelings. He explained to us the following fact: Taiwan's annual volume of trade with Hong Kong totals \$15 billion and several hundred thousand people from both sides visit each other every year. This shows that Taiwan and Hong Kong are closely related to each other. He said: The solution of the Hong Kong question will produce a great impact on Taiwan. Li Chunqing held: The smooth solution of the Hong Kong question proves that, provided both sides are sincere, any dispute and outstanding issue can be solved. The Chinese Government has put forward the farsighted concept of "one country, two systems." The question of Hong Kong has been smoothly solved under the guidance of this idea. The Taiwan authorities should be sensible and aware that the concept of "one country, two systems" is also applicable to Taiwan. If they still stick to the theory that "China must be unified according to the Three People's Principles," they are bound to go against the will of the people. Li Chunqing said: The unification of our motherland is an irresistible historical trend. Hong Kong will soon return to the embrace of the motherland and the day of unification for Taiwan with the mainland is not far off.

CHINA DAILY Commentator

HK280259 Beijing CHINA DAILY in English 28 Sep 84 p 4

[By CHINA DAILY commentator: "Return of Hong Kong"]

[Text] The resolution on China resuming sovereignty over Hong Kong is indeed very heartening, coming as it has in the days of jubilation marking the 35th anniversary of the founding of People's Republic, adding to the atmosphere of festivities throughout the land.

The return of Hong Kong, to take place on July 1, 1997, signifies a long step for its five million inhabitants toward returning to the embrace of their motherland. The entire Chinese nation is thankful and proud that, henceforth, no more compatriots of theirs will remain for long under colonial rule. The British people and their present leaders, we are sure, are just as happy as their Chinese counterparts over the new advance in decolonization of our world.

The settlement of the century-old issue of Hong Kong between China and the United Kingdom has finally made it possible for both countries to bury an unpleasant past. This, we hope, will open a new chapter for further developing already cordial relations, of which the recently concluded and successful talks provide ample evidence. The negotiators on both sides should be congratulated for their realistic approach and unfailing patience in carrying out their unique task of solving the problem of sovereignty by peaceful means. The solution of the Hong Kong issue in a friendly spirit may have set a good example for settling the unfortunately none too few problems between countries left over by history.

Based on the bold and original idea of "one country, two systems," the recovery of Hong Kong opens the way for the eventual reunification of Taiwan with the motherland in a way conforming to the interests of world peace and security.

I. 28 Sep 84

G 11

PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

All Chinese on both sides of the strait and abroad will be happy with a solution that gives precedence to national interests over social ideology.

To allow capitalism to remain in Hong Kong for a long time to come, alongside the prevailing socialism on the mainland, is in keeping with the guiding principle of "seeking truth from facts." As has been repeatedly said, it is by no means an expedient measure. Since it has taken into account the interests of all concerned, it is fair and reasonable. Because it is the best possible solution that can be envisaged, it must and will work.

The Hong Kong special administrative zone will be governed with a high degree of autonomy by the local people. This arrangement demonstrates that our people and government have full confidence in our Hong Kong compatriots to maintain stability and prosperity in the area, which is the general wish and also in the interest of the entire Chinese nation.

For its part, the British Government has made it clear that it will take responsibility for maintaining Hong Kong's stability and prosperity in the period between 1984 and 1997 in order to ensure a smooth transition of power. With this welcome assurance, it is expected that Hong Kong will continue to play its prominent role as a trade and financial centre as well as ever, if not better.

Beijing Radio Commentary

OW270419 Beijing Domestic Service in Mandarin 1200 GMT 26 Sep 84

[Station commentary: "An Historic Event Meriting Celebration"]

[Text] The Chinese and British governments today initialed the joint declaration on the Hong Kong question. The joint declaration affirms that our country will recover Hong Kong and resume the exercise of sovereignty over it beginning 1 July 1997. At the same time, the two governments have made various arrangements for Hong Kong to maintain its stability and prosperity. This is a major historic event in the course of accomplishing the great cause of reunifying our motherland. On the eve of celebrating the 35th anniversary of the founding of the PRC, the whole nation is jubilant because a double blessing has descended upon it.

Hong Kong has always been a part of China. Following the Opium Wars, the corrupt and incompetent government of the Qing Dynasty, under the guns of British imperialists, successively signed three unequal treaties with the British Government, under which Hong Kong and Kowloon were ceded and the New Territories were leased to Britain. In the century after that, the Chinese people remained in a position where they were oppressed, enslaved, and humiliated. The Hong Kong question remained unsolved.

The CPC led the people throughout the country in overthrowing the rule of imperialism, feudalism, and bureaucrat-capitalism, and founded the PRC in 1949, thus ushering in a new epoch in Chinese history.

A major question left over from history has been solved by the initialing today of the joint declaration on our country resuming sovereignty over Hong Kong beginning in 1997. This is a wise move by the Chinese and British Governments in peacefully settling an international issue in the spirit of friendship and mutual understanding.

Taking account of the history of Hong Kong and its realities, our country will implement the concept of "one country, two systems" upon resuming exercise of sovereignty over Hong Kong. The current social and economic systems in Hong Kong will remain unchanged for 50 years, and so will the lifestyle.

These policies accord with the fundamental interests of the people throughout the country, including the people of Hong Kong, and also show consideration for the interests of the various quarters concerned. These are thought-out, long-term policies which enjoy popular support. Therefore, they can be implemented. The solution of the Hong Kong question has also provided favorable conditions for the further development of Sino-British friendly and cooperative relations, and this is conducive to safeguarding peace in Asia and the world.

Hong Kong Press

OW280144 Beijing XINHUA Domestic Service in Chinese 1721 GMT 25 Sep 84

[Text] Hong Kong, 25 Sep (XINHUA) -- In the past few days, newspapers in Hong Kong have published voluminous reports and articles on a Sino-British joint declaration on Hong Kong which will be initialed soon. Public opinion holds that publication of the joint declaration will definitely further calm public feeling in Hong Kong.

Zhuang Zhongwen, a well-known figure in Hong Kong's industrial and business circles, published an article in TIANJIAN RIBAO on 24 September, in which he said: "The year 1984 is a year of profound historical significance. In the days of great rejoicing over the 35th anniversary of the founding of the PRC, a Sino-British accord on Hong Kong's future, which has attracted worldwide attention, will soon be initialed." The article pointed out that "The smooth progress of Sino-British negotiations has dispelled the clouds. The future is as clear as a blue sky. We yearn for the future of the motherland, and Hong Kong's future is very promising."

ZHONG BAO published a commentary on 24 September pointing out that, through many rounds of talks over the past 2 years, China and Britain have at last solved the Hong Kong question left over from history. This important matter is the focus of world attention.

In an editorial commentary on 23 September, MING BAO said: "Public feeling in Hong Kong today is very calm as seen from the fact that the Heng Seng index at the stock market is reaching and exceeding 1,000 points. The primary reason that the residents of Hong Kong have been able to recover their confidence in the past year, of course, lies in the fact that Sino-British negotiations continuously achieved progress during the year, which finally led to the accord. At the same time, the Chinese mainland [words indistinct] has effectively carried out the realistic policy of opening to the outside world and other economic reforms, while the Hong Kong Government has continued its large-scale investment in capital construction here. Hong Kong's export volume has increased by a big margin while commodity prices have increased slowly. We may as well say that work in every field has been quite satisfactory in the past year." The editorial commentary emphatically pointed out that "The situation today has not come easily and should be cherished and protected with great care."

A XINGDAO WANBAO commentary on 23 September said: The Sino-British joint declaration on Hong Kong "generally conforms to the aspirations of the people of Hong Kong. Therefore, it is anticipated that after the accord is published, public sentiment will be further calmed."

European Economic Community

OW272036 Beijing XINHUA in English 2003 GMT 27 Sep 84

[Text] New York, September 27 (XINHUA) -- The European Community welcomed the initialing of the joint declaration on the future of Hong Kong between the governments of the United Kingdom and the People's Republic of China. A statement issued by the foreign ministers of the community's 10 member states yesterday said: "This is an impressive achievement which augurs well for the future of Hong Kong's as a prosperous and stable community." "As a result of this agreement, the community looks forward to maintaining a close and fruitful relationship both with the People's Republic of China and with the future Hong Kong special administrative region on the basis of its continuing participation in international economic arrangements," it said.

FRG'S HELMUT SCHMIDT CONTINUES VISIT

Meets Zhao Ziyang

W261952 Beijing XINHUA in English 1932 GMT 26 Sep 84

Text] Beijing, September 26 (XINHUA) -- Chinese premier Zhao Ziyang said here today that decisions would be made on China's economic reforms, mainly urban reforms, at the Third Plenary Session of the 12th Central Committee of the Chinese Communist Party scheduled to be held next October. As a result, he said, the blueprint of the whole of China's social reforms would become clearer. Zhao made these remarks at a meeting with former Chancellor Helmut Schmidt of the Federal Republic of Germany here this afternoon.

Briefing the guest on China's situation, Zhao said: "One of the important signs of socialism with distinct Chinese features that we are going to establish is that all enterprises will be full of vitality. We should act according to the law of value and make conscientious use of it to develop the planned economy," he added. [Quotation marks as received]

Zhao continued, "After the Third Plenary Session of the 11th CPC Central Committee, especially since 1979, great changes have taken place in China. This marks a new turning point in China's history. "Now China is doing its utmost to develop its productive forces and carrying out its economic reforms. Fruitful results have emerged in China's rural reforms, and now we are embarking on urban reform."

Schmidt said he was inspired after hearing Premier Zhao's briefing on China's social and economic reforms, adding that the road that China is taking is correct. In the world economic recession, China has successfully avoided suffering from its harms. He said: "I am visiting China with great delight and keen interest. During the visit, I have found that China has made tremendous progress in recent years."

The two sides also exchanged views on the world economic situation. Premier Zhao also thanked Schmidt for his efforts to promote friendly relations between China and the Federal Republic of Germany, both in the past and at present. The hour-long meeting proceeded in a sincere and friendly atmosphere.

Present at the meeting were Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, and Guenther Schoedel, ambassador of the Federal Republic of Germany. Prior to the meeting, Premier Zhao had a photograph taken with Schmidt, his wife and their party.

Views International Situation

HK270340 Beijing RENMIN RIBAO in Chinese 26 Sep 84 p 4

[Report: "Schmidt Speaks on International Situation"]

[Text] FRG ex-President [as published] Helmut Schmidt delivered a speech on the international situation at the International Club in Beijing on 25 September.

Talking about the current situation in Europe, he noted the tense situation in Europe and the acute confrontation between the two major military blocs. At the same time, he said: No progress has been made at all in the past 5 years, since the accord on the second phase of the Vienna talks on strategic arms limitation was initialed in 1979 by the heads of state of the United States and the Soviet Union.

On the contrary, both sides have escalated their nuclear arms race in Europe, and their hostility and misgivings toward each other have increased. Worried about the development of such a situation, people of insight in both Eastern and Western Europe are attempting to prevent the tension from worsening.

Schmidt welcomed President Reagan's decision to meet Foreign Minister Gromyko. He held that this meeting will help improve the atmosphere, although no substantial agreement will be accomplished.

Schmidt also emphasized in his speech China's role in the future world. China's influence in the world economy has conspicuously increased, he said. As a country unique in the world in that it has not been affected by the structural crisis of the world economy, and as a country of 1 billion people with a pioneering spirit, China has tremendous potential.

Meets Deng Xiaoping

OW270832 Beijing XINHUA in English 0815 GMT 27 Sep 84

[Text] Beijing, September 27 (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party, met former Chancellor Helmut Schmidt of the Federal Republic of Germany and his party in the Great Hall of the People here today. During his last visit to China in 1975, Schmidt held talks with Deng Xiaoping, then vice-premier of the Chinese State Council. Today, Deng said he was very happy to meet Schmidt again.

Schmidt said China had changed a lot in the past nine years. "We have seen that people's living standards have been raised, that the people are more optimistic, and that the methods and mode of economic management are changing." Deng admitted that changes had taken place in China. "In foreign policy, our country pays more attention to independence. I said at our last meeting nine years ago that we had all along hoped to see the European countries had an independent stance," he said. Schmidt said that to be independent, the European countries must be integrated. "However, there isn't much progress in this respect in the past nine years," he added. The two also discussed the international situation.

The meeting was followed by a luncheon given by Deng for Schmidt and his party. Han Nianlong, president of the Chinese People's Institute of Foreign Affairs, and Guenther Schoedel, ambassador of the Federal Republic of Germany to China, were present at the meeting and luncheon.

EUROPEAN COMMUNITY VICE PRESIDENT ARRIVES 24 SEP

OW241338 Beijing XINHUA in English 1317 GMT 24 Sep 84

[Text] Beijing, September 24 (XINHUA) -- Wilhelm Haferkamp, vice-president of the Commission of the European Communities, and his party arrived here tonight at the invitation of Chen Muhua, Chinese State Councillor and minister of foreign economic relations and trade. They were met at the airport by Jia Shi, vice-minister of foreign economic relations and trade, Irish Ambassador to China Dermot Patrick Waldron and Ambassador of the Federal Republic of Germany to China Guenther Schoedel.

Haferkamp will hold talks with Chen Muhua at the first ministerial meeting between China and the European Communities.

Meets With Chen Muhua

OW260941 Beijing XINHUA in English 0830 GMT 26 Sep 84

[Text] Beijing, September 26 (XINHUA) -- The first ministerial meeting between China and the European Community began here this morning with talks between Chinese State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua and Vice-President of the EC Commission Wilhelm Haferkamp. The two officials held what was described as a "free and frank" exchange of views on expanding trade and economic ties between China and the EC.

Chen said regular Sino-EC ministerial meetings were beneficial to the development of friendly relations and cooperation, and world stability. China was optimistic on the prospects for economic and trade cooperation with the European Community, and desired to further develop such relations on the basis of equality and mutual benefit, she said. China followed a policy of opening to the outside world and treated equally all countries that were willing to expand their economic and trade links with China, she added, noting that she hoped products from the EC would become more competitive on the Chinese market.

Haferkamp said that the ministerial meeting proved that the two sides attached importance to developing their ties. Such meetings would promote bilateral political relations, he added.

Also attending today's meeting were Vice-Minister of Foreign Economic Relations and Trade Jia Shi and senior EC officials.

Trade Agreement

OW270129 Beijing XINHUA in English 2002 GMT 26 Sep 84

[Text] Beijing, September 26 (XINHUA) -- A trade and economic cooperation agreement was initialed here today between China and the European Economic Community (EEC). Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, and Wilhelm Haferkamp, vice-president of the Commission of the EEC, initialed the agreement on behalf of their respective sides.

The agreement, reached in Brussels in negotiations between September 13 and 19 this year, says that in their common aspiration to push trade and economic relations to a new stage, the Chinese Government and the Council of the EEC decided to sign the agreement, on the basis of equality and mutual benefit, to strengthen and diversify the trade relations and expand positively the economic and technical cooperation which are in the interests of the two sides.

It points out that the agreement will supersede the Sino-EEC trade agreement signed on April 3, 1978, and will enter into force the first day of the first month after the two sides complete the necessary legal procedures and inform the each other. The agreement will be valid for five years.

Also attending the initialing ceremony were Jia Shi, vice minister of foreign economic relations and trade, and Haferkamp's team.

I. 28 Sep 84

C H I N A
PRC NATIONAL AFFAIRS

K 1

HU QIAOMU, DENG LIQUN HAIL NEW PUBLICATIONS

OW271433 Beijing XINHUA Domestic Service in Chinese 0815 GMT 26 Sep 84

[By reporter Zhu Shuxin]

[Excerpt] Beijing, 26 Sep (XINHUA) -- "The Glorious Achievements -- Collected Works Marking the 35th Founding Anniversary of the People's Republic of China" and the "Contemporary China" book series began distribution today. Hu Qiaomu and Deng Liqun attended the publication and distribution ceremony held at Wangfujing Bookstore.

Also present at the ceremony were Zhu Muzhi, Liao Jingdan, Wang Huide, Zhou Weizhi, Mei Yi, Xu Weicheng, and Chen Haosu, as well as over 100 people from the theoretical, publication, and press circles in Beijing.

Speaking at the ceremony, Hu Qiaomu said that the publication of the "Glorious Achievements" and "Contemporary China" indicates that publication work has marched one big step forward in orientating toward China's current socialist construction, which truly merits our congratulations. Like other works, publication and distribution work is confronting the important issue of making reforms. An important aspect in reforming publication work is to strengthen the integration of theory with practice so as to better serve the current socialist construction.

YANG DEZHI ATTENDS SIMULATOR DEMONSTRATION

OW272208 Beijing XINHUA Domestic Service in Chinese 1520 GMT 26 Sep 84

[Text] Beijing, 26 Sep (XINHUA) -- Yang Dezhi, deputy secretary general of the Central Military Commission, and other leading comrades watched the demonstration of military training simulators today. He called on all PLA units to strive to modernize military training and create a new level of military training.

Today's demonstration, held at the firing range of a certain division under the Beijing Garrison Command, consisted of four programs -- tactical laser simulator fighting, firing of new 40-mm rocket boosted simulator (?rifle grenade) [xin si ling huo juan zeng cheng mo ni dan 2450 0934 7190 3499 4628 1073 4453 2875 2362 1734] flying remote-controlled target helicopters, and flight in formation of remote-controlled target drones. The most spectacular program was the tactical laser simulator fighting between a red squad and a blue squad. The blue infantry squad, under cover of tanks and simulator aircraft, launched attack on a height on a stretch of rolling hilly land, defended by the red squad. The red squad counterattacked with various heavy and light weapons. The firearms of both squads were equipped with laser simulator ammunition. When a squad member was hit, a smoke signal would appear on his body or his weapon would emit a sound, the weapon in his hands would be rendered useless, and he would lose fighting power. Fighting with real guns and laser ammunition filled the training ground with an atmosphere of real battle. It was clear at a glance to see who had won or lost. The fighting exercise was unlike other military exercises of the past, which looked unrealistic.

A leading comrade of the military training department of the General Staff Department who organized the demonstration said: Today, our Army has applied laser and electronic computer technologies and other advanced technologies in military training. Simulators have been used in training on the ground as well as in the air, and they have become diversified, three dimensional, and combined. Training with simulators is of great significance to improving training results, saving training funds, and reducing wear and tear on weapons and equipment. Our Army is modernizing its military training.

The leading comrades of the General Staff Department, the General Political Department, the General Logistics Department, the National Defense Science, Technology and Industry Commission, and the Beijing Military Region also watched the demonstration.

I. 28 Sep 84

K 2

CHINA
PRC NATIONAL AFFAIRS

YU QIULI MEETS PLA CADRES IN ZHEJIANG 25 SEP

OW271425 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 25 Sep 84

[Text] This morning Yu Quili, member of the Political Bureau of the CPC Central Committee and director of the PLA General Political Department, received cadres of the Headquarters, Political Department, and Logistics Department of the Zhejiang Provincial Military District in the company of Wang Fang, secretary of the Zhejiang Provincial CPC Committee and first political commissar of the provincial Military District, Kang Mingcai, commander of the provincial Military District, and Ma Jiliang, political commissar.

Comrade Yu Quili wrote the following inscription for the provincial military district: "Defend the motherland and work hard to contribute to socialist construction." Prior to the meeting, Yu Quili visited some heroic model units of the Zhoushan PLA units in the company of its leading comrades.

HU QIAOMU, DENG LIQUN SEE ARCHAEOLOGICAL DISPLAY

OW281028 Beijing XINHUA Domestic Service in Chinese 1148 GMT 26 Sep 84

[By reporter Li Guangru]

[Excerpts] Beijing, 26 Sep (XINHUA) -- A national exhibition of precious archaeological finds opened at the West Hall of Qianqing Palace in the Imperial Palace in Beijing today. On display are a collection of artifacts unearthed by China's archaeologists in recent years.

Hu Qiaomu, Deng Liqun, Zhou Guzheng, Xiao Hua, and Zhu Muzhi visited the exhibition. The exhibition, co-sponsored by the Cultural Relics Bureau of the Ministry of Culture and the Palace Museum, will last 3 months.

DENG XIAOPING WRITES TITLE FOR JINGJI RIBAO

OW271447 Beijing XINHUA Domestic Service in Chinese 1228 GMT 24 Sep 84

[Text] Beijing, 24 Sep (XINHUA) -- With the approval of the CPC Central Committee, JINGJI RIBAO has come under the leadership of concerned departments of the CPC Central Committee beginning in September 1984. As a national newspaper, it will concentrate on economic propaganda. The title of JINGJI RIBAO, written by Comrade Xeng Xiaoping on 31 August, will be used beginning 1 October.

To further strengthen economic propaganda, JINGJI RIBAO will be published seven times a week beginning in January 1985. The Sunday paper will concentrate on economic issues that concern the masses and are related to the people's livelihood, as well as provide information, inquiries, and other services to the readers.

To propagate and promote the flow of economic news at home and abroad, the JINGJI RIBAO Publishing House will cooperate with various quarters in setting up economic information service organs. At the same time, the publishing house will organize experts, entrepreneurs, middle-aged and young science workers and specialists on the economic front to undertake a scientific study of economic information and hold discussions on economic theories on a regular basis. JINGJI RIBAO will provide extensive economic information and consulting services for readers at home and abroad.

SONG RENQIONG VISITS GUANGXI GLASS PLANT

HK280059 Nanning Guangxi Regional Service in Mandarin 1130 GMT 27 Sep 84

[Text] This morning, Song Renqiong, member of the CPC Central Committee Political Bureau and leader of the central delegation to the Guangxi nationality unity commendation meeting, visited the Nanning plate glass plant, one of the country's key construction projects, which is now in trial production. He was accompanied by Regional CPC Committee First Secretary Qiao Xiaoguang; Regional CPC Committee Deputy Secretary and Nanning City CPC Committee Secretary Chen Huiguang; and Regional Government Vice Chairman Gan Ku. He was given an enthusiastic welcome by the cadres and workers.

Comrade Song Renqiong observed the plate-glass production progress and listened to reports from cadres and technicians. Afterwards he extended congratulations on the construction and trial-operation of the plant, and extended salutes and regards to the cadres, workers, engineers, and technicians. He and Comrade Qiao Xiaoguang then signed their names in the visitors' book.

The arrival of Comrade Song Renqiong added to the festive atmosphere at the plant, which was decked with colored flags fluttering in the bright sunshine. During the morning Comrade Song Renqiong also visited the Nanning silk fiber textile printing and dyeing plant.

RENMIN RIBAO ADDRESSES DECENTRALIZATION CONCERNS

HK260939 Beijing RENMIN RIBAO in Chinese 21 Sep 84 p 5

[Article by Wang Quanshu: "Tentative Discussion On Several Worries in Streamlining Administration and Delegating Power to the Lower Levels"]

[Text] Some comrades are deeply worried about the measures to delegate powers to lower levels in the administrative system and to expand the decisionmaking powers of enterprises in their operations. Their worries are focused on the following points:

First, they are worried that the measures to delegate powers to lower levels and to expand the economic jurisdiction of enterprises may disrupt the planned economy in our country. This kind of anxiety is groundless. First, our planned economy itself is characterized by both centralism and decentralism. The centralization of major powers ensures the planned and proportionate development of the national economy as a whole; while the decentralization of minor powers can arouse the initiative of enterprises and workers. Our current reform is designed to change the backward economic pattern and the backward management system so as to bring the superiority of socialism into full play. The enlivening of microeconomic activities will put macroeconomic planning on a more realistic basis and will thus perfect our planned economy. Second, the second phase of substituting tax payment for profit delivery will basically settle the relationship between the state and enterprises in income distribution and will ensure the steady increase of the state's financial revenue. Through this reform measure, the state will be able to "obtain a greater proportion" of the profits earned by enterprises, and enterprises can retain a greater proportion of the remaining profits with the rest being distributed among the workers. Third, the method of imposing a progressive tax on above-quota bonuses will not only enable us to lift the upper limit on the issuance of bonuses, but will also bring the issuance of bonuses under control, thus effectively preventing the excessive expansion of the consumption fund. Fourth, when enterprises really bear sole responsibility for their profits and losses and have rights and interests corresponding to their responsibilities, the number of cases of such folly as blind and duplicated construction will be greatly reduced.

In particular, after the development plans for specific industries are worked out, the enterprises will have a clear guideline in conducting technological transformation and capital construction and will be able to avoid taking blind action.

Second, some people are worried that the decentralization measures may disrupt the existing economic order. Some leading comrades in administrative bodies at higher levels often fear that people at lower or grassroots levels and the enterprises may not be able to use their powers properly and may simply disrupt the existing economic order. In fact, their anxiety about this point is uncalled-for. First, leading bodies at various levels after the administration departments are streamlined and restructured, and factory directors and managers after enterprises are consolidated have a higher educational level and become more professionally competent. We should believe that they are able to properly use the powers that the party and the people have vested in them. Admittedly, there are some people who will abuse their powers, but these people will just be a few in number. Once discovered, they will be punished and their malpractices will be stopped. Second, delegating powers to lower levels does not mean adopting a laissez-faire attitude or relinquishing the higher authorities' hold on their subordinate units. While actively abolishing various irrational systems, we will maintain the established regulations that are reasonable. We will give up our hold on things that we should not rigidly control; and we will improve our management over things that we should have good control of. Through pilot projects and practice, it is not hard to find what powers we should delegate to lower levels and what should remain in the hands of higher authorities. As long as higher leading bodies can exercise their leadership in a more general and skillful way and delegate powers to lower levels in an orderly way, it is possible to avoid a chaotic situation after decentralization. Third, even if some troubles occur after powers are delegated to lower levels, there is no need to make a fuss. The main results of the decentralization measures will be a higher efficiency in a good order rather than chaotic conditions. The good order will be effected in the course of changes which may bring about minor disorder as well. For example, people in Shanxi Province were allowed to handle small coal pits on a collective or individual basis in 1982, and this measure made the province's coal output in 1983 increase by 49 million tons, of which more than 20 million tons were produced by small coal pits. On the surface, the situation after the measure was taken seemed a bit confusing; but from the viewpoint of the overall situation, the measure was beneficial to the development of the national economy and the emancipation of productive forces.

Third, some people are worried that the current drive to delegate powers to lower levels may become "a gust of wind," which comes quickly and also disappears quickly. They fear that we may repeat the previous course of "first relaxing centralized control, then tightening the control again when seeing the disorderly situation, with the control becoming deathly rigid in the end." These comrades have committed a mistake of "judging new things by old standards." We should realize that we are going a new way. We have seriously and earnestly righted things and have learned profound lessons from our previous experience. We are acting under the guidance of the correct principles and policies laid down by the central leadership and we are following an ideological line of realism set forth by the party. At the same time, we have gained valuable experience from pilot projects in various localities. In general, we will not undergo the twists and turns as we did before. A few years ago, when we began to introduce the household output contract system in rural areas, some people also took exception to this measure or regarded it merely as an expedient measure, so they adopted a wait-and-see attitude and caused work delays. That time, these people came to grief. It is hoped that comrades who view the current drive to delegate powers to lower levels as "a gust of wind" will take warning from the above-mentioned errors and will not repeat those errors in the course of the urban economic reform. In addition, some people are keen on seizing all powers which may bring them many "substantial benefits," so they fear that they may lose their vested interests if powers are delegated to lower levels. As far as these people are concerned, it is all the more necessary to let the waves of streamlining administration and decentralizing powers thoroughly wash away the moldy smell in their minds.

DENG INSCRIBES MASTHEAD OF 1ST WOMEN'S NEWSPAPER

OW230253 Beijing XINHUA in English 0241 GMT 23 Sep 84

[Text] Beijing, September 23 (XINHUA) -- The first women's newspaper in Chinese will be launched here on October 3.

Called CHINESE WOMEN, the four-page weekly paper will circulate all over China. Its masthead was inscribed by Deng Xiaoping.

The newspaper will report the achievements in China's women's movement, reflect their views and aspirations, and defend their legitimate rights and interests. It will cover law, children, education, love, family life, science, literature and art.

HONGQI ON NEGATING CULTURAL REVOLUTION

HK251103 Beijing HONGQI in Chinese No 17, 1 Sep 84 pp 18-21

[Article by Zhai Sishi: "Dividing One Into Two and Thoroughly Negating the 'Great Cultural Revolution'"]

[Text] Thoroughly negating the "Great Cultural Revolution" is of great significance to the success of party rectification. Without thoroughly negating the "Great Cultural Revolution" the various tasks of party rectification cannot be fulfilled successfully. However, there are some people who ask: "Did the 'Great Cultural Revolution' have no advantages at all?" They hold that thoroughly negating the "Great Cultural Revolution" is not in keeping with the concept of "one dividing into two." Provided that there are other motives, this argument can only be regarded as a muddled idea.

Does thoroughly negating the "Great Cultural Revolution" really violate the concept of one dividing into two? No. If we have a correct understanding of one dividing into two, we shall not and will never draw this conclusion. As everybody knows, one dividing into two is a concise and popular exposition of the law governing contradictions, namely, the law of unity of opposites. Widely prevalent as a result of emphasis and publicity by Comrade Mao Zedong, it has become a widely used term in dialectics. However, with regard to Comrade Mao Zedong's exposition of one dividing into two, we should have an accurate and comprehensive understanding of it. Under no circumstances should we quote it out of context.

Comrade Mao Zedong mentioned one dividing into two on numerous occasions but he expounded this viewpoint quite pointedly and elaborately in his speech at the Moscow meeting of representatives of communist and workers' parties in 1957. In this speech Comrade Mao Zedong pointed out:

"Any kind of world, and of course class society in particular, teems with contradictions. Some say that there are contradictions to be 'found' in socialist society, but I think this is the wrong way of putting it. The point is not that there are contradictions to be found, but that it teems with contradictions. There is no place where contradictions do not exist, nor is there any person who cannot be analyzed. To think that he cannot is being metaphysical. You see, an atom is a complex of unities of opposites. There is a unity of the two opposites, the nucleus and the electrons. If a nucleus, there is again a unity of opposites, the protons and the neutrons. Speaking of the proton, there are protons and antiprotons, and as for the neutron, there are neutrons and antineutrons. In short, the unity of opposites is present everywhere. The concept of the unity of opposites, dialectics, must be widely propagated.

"I say dialectics should move from the small circle of philosophers to the broad masses of the people.... As a matter of fact, the secretaries of our party branches understand dialectics, for when they prepare reports to branch meetings, they usually write down two items in their notebooks, first the achievements, and second the shortcomings. One divides into two -- this is a universal phenomenon, and this is dialectics."

From this exposition by Comrade Mao Zedong we can see that what he referred to as "one dividing into two" concerns contradictions, that is, the unity of opposites. Contradictions, or unities of opposites, are a common phenomenon. Therefore, one dividing into two is also a common phenomenon. Everything divides into two and there is no exception to this. Moreover, the forms of one dividing into two do not have a fixed pattern; they are varied. Undoubtedly, distinguishing between merits and demerits, as referred to by Comrade Mao Zedong, is also one dividing into two, but it is only a specific form of one dividing into two and not the only or the universal form. Also, Comrade Mao Zedong never said, on this or any other occasion, that one dividing into two refers to the distinction between merits and demerits. If we equate the distinction between merits and demerits with one dividing into two or say that one dividing into two refers to the distinction between merits and demerits and apply it as a pattern indiscriminately, this is in violation of dialectics, and is not in keeping with the original intention of Comrade Mao Zedong. The application of one dividing into two in distinguishing between merits and demerits, between right and wrong, or between advantages and disadvantages, is not suitable for analyzing all targets. Generally speaking it is suitable for analyzing only a person and his work, but not suitable for analyzing all persons and work. For example, the enemy can undoubtedly be analyzed using the concept of one dividing into two. We can analyze all their aspects but we should not analyze their merits and demerits. With regard to this point, in the above-mentioned speech, Comrade Mao Zedong explicitly pointed out that in this sense, "there is only one aspect to the enemy's nature, not two." Even with regard to our comrades and the revolutionary work, we do not make a distinction only between merits and demerits and between achievements and errors. In fact, the forms and aspects of analyzing a person or thing are varied, such as a person's ability and political integrity, his expertise and breadth of knowledge, his ideological development today and yesterday, and so on.

One dividing into two is very rich in content; it should not be simplified. At the same time, we know that under definite conditions and in a definite scope, a shortcoming is a shortcoming and an error is an error. If we still want to find merits in a demerit and to discern something correct in an error, we are not applying the dialectics of one dividing into two but sophistry, which denies or obscures the demarcation line between one thing and another. Making a concrete analysis of concrete problems constitutes the living soul of Marxist dialectics. When the nature of a thing is different, the method of analyzing the contradictions is also different. Even the same thing can also be analyzed from different angles or sides or using different methods. Everything depends on time, place, and condition. We should never forget this in understanding and applying the concept of one dividing into two. Once it is divorced from concrete analysis of concrete problems, one dividing into two will turn to its opposite, that is, it will turn from dialectics to metaphysics.

Historically, there were also people who regarded or summed up dialectics only as differentiating good from bad aspects. Pierre Joseph Proudhon, a French petit-bourgeois thinker, held that there are two aspects, good and bad, in every economic category, and that the good and bad aspects, together with the benefit and harm, form the inherent contradictions of every economic category. Marx repudiated Proudhon's view by pointing out: "Mechanically differentiating good from bad aspects" and "summing up the entire process of a dialectical movement as a simple comparison of the good and the bad" constitute a "lowering" and "renunciation" of dialectics ("Selected Works of Marx and Engels," Vol 1, pp 108-112).

Marx said: Contradictions are "the source of all dialectics." ("Complete Works of Marx and Engels," Vol 23, p 654). Lenin said: "There are two sides to all things in the world" ("Complete Works of Lenin," Vol 6, p 111) The "contradictions" and "two sides" referred to by Marx and Lenin do not simply mean the distinction between the good and the bad, and should never be applied mechanically with a fixed pattern or formula. Some comrades hold that thoroughly negating the "Great Cultural Revolution" is not in keeping with the concept of "one dividing into two" because they have gained a one-sided and narrow understanding of one dividing into two. In their view, the concept of one dividing into two is used to distinguish between merits and demerits and between good and bad aspects. Failure to overcome this narrow view will make it impossible to have a comprehensive and correct understanding of one dividing into two and will also prevent us from thoroughly negating the "Great Cultural Revolution."

"Did the 'Great Cultural Revolution' have no advantages at all?" With regard to this question, either in light of reality or in accordance with dialectics (including one dividing into two), we must categorically reply: No, it had no advantages at all, nothing whatsoever that should be affirmed. The so-called "theory of continuing revolution under the dictatorship of the proletariat," with carrying out "all-round class struggle," "seizing political power in an all-round way," and exercising "all-round dictatorship" as its kernel, not only violated Marxism but also failed to tally with the actual situation in China. And the "Great Cultural Revolution" carried out under the guidance of this theory, including the various methods it adopted, was erroneous and its consequences were extremely serious. Politically, it confused friend with foe and undermined socialist democracy and legality, with the result that more than 100 million people were attacked, persecuted, or implicated. Economically, "stopping production to make revolution" incurred a loss of 500 billion yuan in national revenue. Ideologically, the confusing of right and wrong, honor and disgrace, truth and falsehood, and the good and the bad seriously corrupted party work style and popular morals. Culturally, it negated science, destroyed education, and trampled on civilization. In short, the "Great Cultural Revolution" was out-and-out destruction and a colossal calamity. With regard to this destruction and calamity, if we still want to talk about its advantages and achievements, does this not reflect gross ideological confusion? The "Resolution on Certain Questions in the History of Our Party Since the Founding of the PRC" adopted by the 6th Plenary Session of the 11th CPC Central Committee pointed out: "The 'Great Cultural Revolution' did not in fact constitute a revolution or social progress in any sense," and "the 'Great Cultural Revolution,' initiated by a leader laboring under a misapprehension and capitalized on by counterrevolutionary cliques, led to domestic turmoil and brought catastrophe to the party, the state, and the whole people." Recently Comrade Deng Xiaoping also emphatically pointed out: It is hard to say on which point the "Great Cultural Revolution" was correct because we have suffered a great deal. These are historic conclusions drawn from the "Great Cultural Revolution" in a down-to-earth manner and their correctness is beyond doubt.

Thoroughly negating the "Great Cultural Revolution" means that we should not make a further distinction between right and wrong on the "Great Cultural Revolution" itself, but this does not mean that there was no distinctions between right and wrong during the "Great Cultural Revolution." In fact, during the 10 years of the "Great Cultural Revolution," the struggle between right and wrong was very sharp and was carried on from beginning to end. The vast numbers of cadres, workers, peasants, and intellectuals, including the great majority of the members of the Eighth CPC Central Committee and the Political Bureau, the Standing Committee of the Political Bureau, and the secretariat it elected, carried out acute and complex struggle against the Lin Biao and Jiang Qing counterrevolutionary cliques and resisted the erroneous theories and practice of the "Great Cultural Revolution" by various means. For example, the so-called "February Adverse Current," which occurred in 1967, Comrade Zhou Enlai's proposal to criticize the ultraleftist trends of thought in 1972, the numerous measures of consolidation taken by Comrade Deng Xiaoping in 1975 while he was presiding over the routine work of the CPC Central Committee, the "5 April" movement which took place in 1976, and so on, were reflections of the correct aspect during the "Great Cultural Revolution."

These ideas and acts profoundly reflected the fundamental interests and demands of the people of all nationalities throughout the country. History proves that the "Great Cultural Revolution" was the opposite of all correct things. Such being the case, we should naturally not try to find its correct aspects or advantages. This is elementary knowledge of dialectics.

We should totally and thoroughly negate the "Great Cultural Revolution" in terms of theory and practice. This is a major issue of principle about which we should never have the slightest hesitation or vacillation. However, this does not mean that we should not make a concrete analysis of specific persons or things in the course of the "Great Cultural Revolution," but lump them together. Facts show that in the course of the "Great Cultural Revolution," with the exception of the Lin Biao and Jiang Qing counterrevolutionary cliques and the "people of three categories," most of the people taking part in the "Great Cultural Revolution" were affected by the ultraleftist trends of thought. And different persons or the same person acted differently in different periods. In the initial period some people committed errors or evil deeds but later they were aware of their mistakes. Some people stood on the wrong side on certain matters but resisted and opposed erroneous practices on others. For this reason, the situation was very complicated. Take the two factions, for example. Both of them were wrong by and large. Since they were the outcome of the "Great Cultural Revolution" and since they carried out their activities under the guidance of the so-called "theory of continuing revolution under the dictatorship of the proletariat," the struggle between them was not one of supporting or opposing the "Great Cultural Revolution." For this reason, we cannot say which was better and which was worse, which was good and which was bad, or which was right and which was wrong. Without thoroughly negating both factions we shall not be able to eradicate factionalism. However, the great majority of the people in both factions were good or relatively good. It is necessary to make a historical and concrete analysis of their ideas and behavior. Under no circumstances should we lump them together regardless of the actual conditions. Otherwise, we shall fly in the face of facts and fail to be in a keeping with the concept of one dividing into two.

Thoroughly negating the "Great Cultural Revolution," which caused serious setbacks and losses to China's economy, does not mean that we did not attain any success during the "Great Cultural Revolution." In point of fact, we still attained some successes during the "Great Cultural Revolution," such as the completion of the Changjiang bridge in Nanjing, the successful experiments with hydrogen bombs, the launching of man-made satellites, and the development of industrial and agricultural production. However, these successes were not attained by the "Great Cultural Revolution" but by the vast numbers of party members and the broad masses of people in their arduous and tortuous struggle against the errors of the "Great Cultural Revolution." Obviously, if we give the credit for these successes to the "Great Cultural Revolution" and regard them as its advantages and achievements, we shall confuse one thing with another and fly in the face of facts.

Both dialectical theory and historical experience tell us that error is often the precursor of what is correct and that under certain conditions a bad thing can be turned into a good one. This is also a form of one dividing into two. But this is not another division of a bad thing into merits and demerits but a form of one dividing into two in which a bad thing is turned into a good one. Undoubtedly, this form is also applicable in analyzing the transformation of a bad thing into a good one under certain conditions. Moreover, the transformation of the "Great Cultural Revolution" from a bad thing into a good one became a reality after the 3d Plenary Session of the 11th CPC Central Committee. On numerous occasions Comrade Mao Zedong said: An error has its dual nature. On the one hand it harms the party and the people, and on the other it serves as a good teacher which educates the party and the people so well that they become more clever.

The "Great Cultural Revolution," a long-standing error of overall importance, not only harmed but also educated the party and the people. It served as a teacher by negative example, which was indeed "unprecedented" in the history of our party. From the suffering it brought upon the Chinese people, we have further mastered Marxist truth and seen clearly China's orientation and path. The party's line adopted since the 3d Plenary Session of the 11th CPC Central Committee has been formulated on the basis of summing up the experiences gained and the lessons drawn in the 30-odd years since the founding of the PRC, particularly during the "Great Cultural Revolution." The party's line, worked out since the third plenary session, is diametrically opposed to that of the "Great Cultural Revolution." It is the outcome of thoroughly negating the "Great Cultural Revolution." Without thoroughly negating the "Great Cultural Revolution" there would be no line laid down since the third plenary session. Nor would there be the dynamic and excellent situation that has emerged since the third plenary session. In the 2 years and more prior to the 3d Plenary Session of the 11th CPC Central Committee, we had smashed the "gang of four" and ended the "Great Cultural Revolution," but due to our failure to thoroughly negate the "Great Cultural Revolution," its erroneous ideas and theory had continued to undermine the cause of our party. That is to say, the "Great Cultural Revolution" was not turned from a bad thing into a good one at that time. Irrefutable facts show that it was precisely after we thoroughly negated the "Great Cultural Revolution," after the third plenary session, that it was turned from a bad thing into a good one. Here, thoroughly negating the "Great Cultural Revolution" was a decisive factor in and a prerequisite for turning a bad thing into a good one. Therefore, we can say that thoroughly negating the "Great Revolution" and resolutely affirming the party's line worked out since its third plenary session are two aspects of a thing which are mutually conditional. Without thoroughly negating the "Great Cultural Revolution" we shall not be able to resolutely affirm the party's line laid down since the third plenary session; in order to resolutely affirm the party's line laid down since the third plenary session, we should thoroughly negate the "Great Cultural Revolution." From the 3d to the 6th Plenary Sessions of the 11th CPC Central committee, we completely rectified the "leftist" errors deviating from the right track of Mao Zedong Thought during and before the "Great Cultural Revolution," so that the party's ideological, political, and organizational lines returned once again to the right track of Mao Zedong Thought. The party's line adopted since the third plenary session is a genuine Marxist line. We must definitely understand that thoroughly negating the "Great Cultural Revolution" and resolutely implementing the line laid down since the third plenary session are things which every Communist Party member is expected to understand and to perform.

In short, one dividing into two, the scientific and comprehensively stipulated concept of one dividing into two which reflects Marxist dialectics, should not become an ideological obstacle to thoroughly negating the "Great Cultural Revolution." On the contrary, according to the revolutionary and critical nature of dialectics, one dividing into two is precisely a weapon for exposing and rectifying mistakes and not a tool for providing an explanation for mistakes. If we correctly grasp and apply one dividing into two, we are sure to draw the conclusions of thoroughly negating the "Great Cultural Revolution."

QUANGMING RIBAO URGES PRAISE OF MODEL WORKERS

HK270645 Beijing GUANGMING RABAO in Chinese 22 Sep 84 p 1

[Commentator's Article: "Those Who Are Successful in Pushing the Economy Forward Are the Best Model Workers"]

[Text] Model workers are the vanguard of the masses, the locomotive that leads the masses forward. Setting people up as model workers is aimed at setting examples for the masses in their millions and showing the way forward. Under the new historical conditions of socialist modernization, what examples do we need most? Those who can push the economy forward. We should find a large number of outstanding figures in this field and hold them up as examples among the masses.

In the past 30-odd years, a large number of outstanding model workers have emerged from the ranks of the Chinese working class and their names have remained in people's memories for a long time and commanded their profound respect and regard. Why? The most important reason is that they kept ahead of the times, represented the way forward, and played an important role in promoting revolution and construction at that time.

Today, the most important task in our country is to push the economy forward. If we succeed in vigorously developing the economy and achieving the strategic objective of quadrupling our output value, all other problems can be readily solved. If we fail to develop the economy, all other problems cannot be easily solved. Whoever understands and conforms to the needs of history, strives to develop the economy, and makes important contributions stays ahead of the times and becomes the best model worker who is most worthy of our emulation. The more we have such model workers, the more easily we can carry out our economic work.

On the question of choosing and setting up model workers, it is necessary to break away from some conventions and old ideas. When choosing model workers, some comrades are prone to look for them among those who are willing to exert themselves, to work extra shifts or extra hours, and to "refuse to leave the frontline on account of minor wounds" and who live frugally and plainly. If we remain at this level in choosing model workers, this is quite insufficient. Bearing hardships, withstanding hard work, having the spirit of a "willing ox," and living frugally and plainly are indeed the fine traditions of the Chinese working class, which we should advance and develop at all times in the future. However, the times have set quite different demands on the working class now. At a time when science and technology develop with each passing day and when we are restructuring the economy, the working class, which serves as the main force in the four modernization drive, should, in addition to working energetically, bearing hardship, and withstanding hard work, also master modern and advanced science, technology, and administration and management knowledge, create much higher labor productivity than in the past, and attain the best economic results. In choosing model workers, we should pay close attention to this general orientation. In judging whether a worker or a staff member is qualified to be a model worker, we should not pay attention only to the perspiration he has generated and the extra shifts he has worked. Most important, we should look at the fruit and the economic results of his labor and the contributions made to the state and society. Only by holding up those who have made the greatest contributions to the state and society as model workers can we guide all people to march along this direction.

"No gold is pure and no man is perfect," It is impossible for those who achieve outstanding achievements in improving the economic results to have no shortcomings at all and some of them may even have obvious shortcomings and serious faults in certain respects. What attitude should we adopt toward these people? A correct method is to differentiate what is primary from what is secondary and refrain from nitpicking. So long as a worker or a staff member, no matter who he is, loves the four modernizations program and his enterprise, studies diligently, works hard, strives to gain professional proficiency, scores outstanding successes in production, administration, and management, and makes outstanding contributions economically, he is good in the principal aspect. He should be rewarded and given credit and his deeds and advance experience should be made public so that people can learn from him. With regard to his shortcomings and deficiencies, we can help and educate him, but we should not deny his advance aspects on account of this, still less should other aspects which have nothing to do with production and work be regarded as conditions for choosing model workers. Demanding perfection can only prevent us from discovering and knowing the advanced elements needed by the times and will not bring any benefit to our cause.

Over the past 35 years, the heroes of the Chinese working class have emerged in large numbers. We believe that the new generation of this contingent will certainly write an even more brilliant new chapter.

HONGQI CITES DENG WORKS ON WEALTH POLICY

HK270610 Beijing HONGQI in Chinese No 17, 1 Sep 84 pp 38-39

[Article by Zhang Luxiong: "Will Society Be Divided Into Two Opposing Extremes If Some People Are Allowed to Become Well-Off Before Others?"]

[Text] "Let some people become rich first" represents an important central policy adopted since the 3d Plenary Session of the 11th CPC Central Committee. Comrade Deng Xiaoping has pointed out: "In economic policy, it is my opinion that we should permit some areas, enterprises, workers, and peasants to gain higher incomes first through hard and diligent work, and to have a better life. If some people's lives become better before others, they are bound to create a massive model force, influencing their neighbors and causing other areas and units to learn from them. In this way, we can bring about the constant, wave-like development of the whole national economy and bring about speedier prosperity for all the peoples of China." ("Selected Works of Deng Xiaoping" p 142) These words give a precise explanation of the party's policy on "making the people rich." The policy encompasses the following related aspects: Some people will get rich first; this will motivate others to get rich as well; and then everybody will get rich together. Only by letting some people get rich first so that they can serve as models and pioneers can we motivate others to get rich too. Therefore, letting some people get rich first is not the only part of the policy of "making people rich," but the prerequisite and path to common prosperity.

Socialist society must eliminate the exploitative system, develop the forces of production, wipe out poverty, and bring a prosperous and educated life to all members of the society. But for a certain period of time, we mistook the socialist principle of equality for egalitarianism, and mistook common prosperity for simultaneous prosperity, or achieving prosperity at a uniform rate, denying the idea of differences in individual income, forcibly limiting many paths to prosperity, and seriously dampening the initiative of the broad masses of laborers, with the result that everybody failed to get rich at the same time and even became poorer together. It was precisely by drawing from this lesson that our party corrected its guiding thinking away from the "left" mistakes of the past and put forward the policy of some people getting rich first.

The policy of letting some people get rich first is a Marxist policy, and one which is in accordance with economic laws and popular with the people. Under socialist conditions, the difference between the intellectual and physical powers of laborers and their performance is bound to lead to a difference in incomes. Some staff and workers in state-run and collective units who put in more work are therefore going to get rich first, while some individual laborers will also become rich first through hard work. This difference in time and quantity of income brought about by the system of "to each according to his work" cannot lead to the creation of two opposing extremes.

What we mean by two opposing extremes is a division into classes under the system of private ownership of the means of production. It is the product of an exploitative system. For example, under a capitalist system, the means of production are privately owned by the capitalists. The capitalists use the means of production in their possession to exploit the workers; their capital grows and grows, and they become increasingly rich, while the hired workers, who have lost the means of production, own nothing at all and suffer exploitation, become increasingly poor. Our country is a socialist country based on public ownership of the means of production. It has wiped out the system of exploitation of man by man and has carried out the principle of "from each according to his ability, to each according to his work," such that the economic basis for the creation of two classes no longer exists.

Though at present we are allowing the development, to a certain extent, of the individual economy and other nonsocialist economic forms, these are merely supplements to the socialist economy. We have a strong state-run economy as the dominant force of the national economy. The individual economy and other nonsocialist economic forms can only be run within the limits permitted by the law, and even if wage differences were larger, could not produce a division into opposing classes as in a capitalist society.

The vast majority of those people who have now become rich before others have done so through their own hard labor. In general, they have relatively rich production experience and labor abilities, added to which they are open-minded and have the courage to innovate and to take the lead in using advanced science and technology, while they are also good at economic management. Therefore, those with high labor productivity, high commodity rate, good economic results, and a higher income constitute the vanguard of the masses on the road to prosperity. This represents the main current, and we should actively support it. Naturally, due to various loopholes in prices and taxes, at present there is also the possibility that some people's income will become too high and even that a tiny minority of people will indulge in unlawful practices to extract ill-gotten gains. In response to this, our party will strengthen market management and improve the tax system, exerting greater control and regulation, and using the law to attack those economic criminals who indulge in speculation, profiteering, and so on. Ultimately, these people will form a tiny minority and constitute a nonessential problem. We can by no means let these problems interfere with our implementation of the correct policy of "letting some people get rich first."

SLURS OF MINORITIES TO BE REMOVED FROM CHRONICLES

LD272352 Beijing XINHUA in English 1200 GMT 27 Sep 84

[Text] Urumqi, September 27 (XINHUA) -- Discriminatory references to China's national minorities (who now number 67 million) will be removed from the chronicles of local history, it was decided at a national symposium held in Urumqi last week.

Sponsored by the State Nationalities Affairs Commission, the symposium was attended by officials, experts, and scholars of 13 nationalities from 25 provinces, municipalities and autonomous regions.

China's national minorities were labelled "savages," "aliens," and "barbaric tribes" in chronicles compiled under the feudal dynasties. For instance, the Hui, now the third-largest nationality with a population of seven million, were called "the dog hui" in chronicles of the Qing Dynasty.

The symposium held that in the nationwide revision of local histories now under way, writers must follow the principle of national equality and unity, and local exponents of minority nationalities should participate in the revision work, with opinions of local minority people being taken into consideration.

The revised chronicles should also cover the progress and achievements the minority peoples have made since 1949, the symposium urged. Of 2,978 deputies to the sixth National People's Congress, there were 405 from minority nationalities, constituting 13.5 percent of the total. Over the past 35 years, the industrial and agricultural production in autonomous areas has increased every year at an average rate of 7.6 percent, and the total industrial and agricultural output value topped 62.67 billion yuan (about 25.86 billion U.S. dollars).

ACHIEVEMENTS OF CHINESE AEROSPACE INDUSTRY NOTED

HK270838 Beijing GUANGMING RIBAO in Chinese 20 Sep 84, p 2

[Article supplied by the Propganda Department of the Commission of Science, Technology, and Industry for National Defense: "China's Aerospace Industry Is Developing by Leaps and Bounds"]

[Text] China's experimental communications satellite, launched on 8 April, succeeded in reaching its geostationary position at 125 degrees east over the equator at 1827 hours and 57 seconds on 16 April. Instruments on the satellite were functioning well and the experiments, such as on telecommunications and radio and TV transmissions, were conducted normally. This is another victory in China's aerospace industry and marks a new leap forward in China's space technology.

It was on 24 April 1970 that China successfully launched its first man-made earth satellite. Weighing 173 kg, the satellite operated satisfactorily in orbit, its various instruments functioned normally, and it was able to broadcast the music of "The East Is Red." After the satellite was launched, China's space calculation and control center immediately forecast accurate times for the satellite's flying above 120 cities in the world. This shows that China's newly emerged satellite calculation and control technology has, from the very beginning, scored good achievements, characterized by its "good performance, precise calculations, and accurate forecasts." The successful launching of China's first satellite indicated that China had made a good beginning in its space technology and it became the fifth country in the world to have the ability to manufacture and launch satellites independently.

The year 1975 was an extraordinary year in the history of the development of China's satellites. China successfully launched three satellites that year. In particular, a man-made satellite, launched on 26 November, returned to earth as scheduled for the first time after operating normally in orbit. This was a breakthrough in China's satellite technology. Since then, China has become the third country in the world to master the technology of satellite recovery.

On 20 September 1981, China for the first time successfully launched three satellites with one carrier rocket. After accurately entering orbit, various systems on the satellites functioned normally and continuously sent back various scientific detection and experimental data to earth. The successful launching of "three satellites with one rocket" evoked wide repercussions among world press circles. With the successful recovery of satellites on five occasions, China this year entered the ranks of advanced countries which have mastered the technology of manufacturing and launching synchronous communications satellites. Its communications satellite operated well in orbit and could at any time relay TV programs, carry telephone calls, and conduct other communications activities among the regions which have receiving stations or centers. China's satellite technology has entered the stage of practical application. Since it mastered recovery technology, China has applied satellite remote-sensing data on many occasions in mineral prospecting, petroleum prospecting, earthquake geological surveying, map-making, archaeological studies, the construction of river courses at harbors, and the mapping of the environmental conditions of coastal belts, and has achieved outstanding technical and economic results.

COMPUTERIZATION OF CHINESE CHARACTERS DESCRIBED

OW221239 Beijing XINHUA Domestic Service in Chinese 1233 GMT 18 Sep 84

[By ZHONGGUO DIANLI BAO [CHINESE ELECTRIC POWER] reporter Li Yufeng and XINHUA reporter Huang Fengchu]

[Text] Beijing, 18 Sep (XINHUA) -- At a meeting held today in Beijing to appraise the HPC method for putting Chinese characters into computers, we randomly chose a 220-character news report and asked an operator to put it into the computer as a demonstration.

The operator, who had only a week's training in this particular method, did the job in 3 minutes and 50 seconds, and the news report was shown on the screen in its entirety. The HPC method for putting Chinese characters into computers is a result of 1 year of efforts made by principal researcher Li Huiqin of the Electric Power Science Research Institute under the Ministry of Water Conservancy and Electric Power. The appraisal meeting was sponsored jointly by 12 units, including the Ministry of Water Conservancy and Electric Power, the Special Committee for Encoding Chinese Characters under the China Society of Chinese-Language Information, the China Electric Engineering Society, the leading group for electronic computers and large-scale integrated circuits under the State Council, and the Commission of Science, Technology, and Industry for National Defense. The experts at the meeting opined that the design of this method is based on scientific thinking and sufficient data and had a sound theoretical foundation. The encoding method conforms to the way of writing. It is simple but has a rigid rule. For these reasons, it is easy to learn and memorize and is highly feasible. It has met all norms of the advanced standards both at home and abroad.

This method can be widely applied. It may be used in indexing information and editing newspapers and journals and in automatic typesetting, translation by machinery, and scientific management. This is of vital importance to our country in popularizing the application of computers and entering into the era of information industry at an early date. The principal researcher of this method, Li Huiqin, is now 27 years of age. He studied at the Electric Power Department of the Wuhan Water Conservancy and Electric Power College as a postgraduate in the computer application specialty and graduated in 1982 with a master's degree.

NATURAL SCIENCE VIEWED AS PRODUCTIVE FORCE

HK270728 Beijing HONGQI in Chinese No 17, 1 Sep 84 pp 39-40

[Article by Lu Wenqiang: "Is Natural Science a Productive Force Itself, or Will It Become a Direct Productive Force Only Through Transformation?"]

[Text] These two statements are both correct; the problem is that they must be understood in different senses.

Natural science is a system of knowledge concerned with the material formation, structure, nature, and movement laws of the natural world. The two basic factors of the forces of production, labor power and the means of production, both embody elements of science. Labor power encompasses the two aspects of manual and mental power. Mental power encompasses many things, but in the sphere of production, it constitutes mainly the ability to grasp and utilize scientific and technological knowledge. Generally speaking, the means of production, and especially modern production tools, are things created by people in the basis of natural scientific principles, and can be said to be "materialized intellectual forces." Take, for example, electrocomputing; it is formed from an amalgamation of the natural scientific laws of electronics, solid physics, quantum physics, roman mathematics, and so on. Within the structure of the forces of production, in the industrial process, scientific laws play a role in the same way. Marx pointed out: The important distinction between capitalist big production and handicrafts industry production lies in the fact that "the whole of the production process comes not directly from the skills of the artisan, but is manifested as the use of science in craft," "capital has as its prerequisite a certain historical development of production forces -- and these production forces include science." (Complete Works of Marx and Engels" p 46 Book 2 p 211). Therefore, we are entirely able to say that science itself is a production force.

However, when viewed in isolation as a system of knowledge, it is still an "intellectual" production force, and as such is part of general social production forces. General production forces refer to forces which increase overall production, rather than particular forces which exercise a direct function. The reason why natural science, and in particular basic natural science, is part of these general social production forces, is precisely because it can be used in the service of all sorts of production processes, and is by no means limited to one particular such process. In order to turn this sort of general social production force into a specific, direct production force, it is necessary to use technology and education to materialize it into the means of production and labor force. That is to say, it is necessary through technological revolution and transformation to create high-efficiency machinery, new materials, and new technologies, to expand the scope of use of resources; and through education, to enable the laborers to grasp new science and technology, enhance the degree of their labor experiences, and raise their management standards; only in this way is it possible to transform science into a direct force of production, and turn it into what Marx called a "direct apparatus of social practice." In a capitalist society, capitalists hire large numbers of scientists, engineers, and technicians to research and develop all sorts of machines and other equipment, which they use as fixed assets invested in production, and thereby turn science, which is a general social production force, into a specific, direct force of production. Just as Marx said: "The growth of fixed capital shows to what extent general social knowledge has become a direct force of production." ("Complete Works of Marx and Engels" Vol 46 Book 2 p 219-220).

As a general social production force, natural science has various different levels. Theoretical science (such as mathematics, physics, and so on) is the most general social production force, and the laws which it reveals have widespread application. Technical sciences on the other hand (like electronics, thermal engineering, and so on) are limited in their generality compared to theoretical science, and are nearer to direct material production activities. Precisely because of this, in order to transform theoretical science into a direct production force, it is first necessary to transform it into a technical science, and through the technology involved in various factors which turn it into something able to be used in specific labor (like laborers, the targets of labor, and the means of labor), to utilize this technology in specific labor process, such that it creates an actual effect on the natural world. For example: Atomic physics is the science of researching the structure, nature, and laws of change pertaining to atoms, but it cannot be used directly to set up a nuclear power station; people must go through a series of technological developments on the basis of atomic theory and use the technology thus developed in the production of a nuclear power station. Only in this way can nuclear physics become a real force that transforms nature.

SHANDONG'S SU YIRAN SPEAKS ON PARTY RECTIFICATION

SK270705 Jinan Shandong Provincial Service in Mandarin 2300 GMT 26 Sep 84

[Text] On the morning of 26 September, the provincial CPC Committee held a meeting of provincial level organs to exchange their experiences on party rectification. Li Changan, deputy secretary of the provincial CPC Committee, presided over the meeting. Su Yiran, secretary of the provincial CPC Committee, made an important speech at the meeting.

In his speech, he stressed: The current party rectification work of the provincial level organs should be focused on the four tasks put forward by Document No 9 of the Central Commission for Guiding Party Rectification. All units should comprehensively fulfill these four tasks, and give prominence to straightening out the guiding ideology in the professional work.

Comrade Su Yiran's speech falls into three parts: 1) the development of party rectification work; 2) the problems which should be solved through the current party rectification work; and 3) the necessity to further strengthen the leadership over the party rectification work.

On the problems which should be solved through the current party rectification work, Comrade Su Yiran said: In general, the current party rectification work of the provincial level organs should be focused on the four tasks put forward by Document No 9 of the Central Commission for Guiding Party Rectification in line with the CPC Central Committee's decision on party rectification and with the arrangements of the Central Commission for Guiding Party Rectification. These four tasks are: 1) further straighten out the guiding ideology in the professional work; 2) actually conduct education on thoroughly negating the Great Cultural Revolution, eliminating factionalism, and strengthening party spirit; 3) penetratingly investigate and handle the serious bureaucratic cases causing grave economic and political losses to the state and the cases of abusing one's powers to seek personal gain; and 4) conscientiously solve the major problems existing in leading bodies. For units which started party rectification earlier, these four tasks must be fulfilled at the rectification-correction stage. For units that began party rectification later, attention should be paid to examining their problems in these four aspects at the comparison-examination stage, and then working out their measures for conducting rectification and correction. After basically completing the comparison and examination work and entering the rectification-correction stage, even more attention should be paid to these four tasks and conducting rectification and correction in a penetrating manner.

The above-mentioned four tasks should be fulfilled in an all-round manner, but particular emphasis can be or should be placed on one of them in line with the specific conditions. Because the CPC Central Committee will soon convene the 3d Plenary Session of the 12th CPC Central Committee to discuss and solve the problems in the reform of the economic system, all units should give prominence to straightening out the guiding ideology in their professional work in order to lay a good foundation for implementing the guidelines of the 3d Plenary Session of the 12th CPC Central Committee.

Comrade Su Yiran said: Straightening out the guiding ideology in professional work means that the guiding ideology in the work of various localities and departments should conform to the fundamental tenets of Marxism-Leninism-Mao Zedong Thought, to the demand of fulfilling the party's general goal and task, and to the line, principles, and policies of the CPC Central Committee.

At the same time, on the basis of eliminating the leftist influence and overcoming weakness, all localities and departments should map out feasible plans for carrying out reform, quadrupling their industrial and agricultural output value, and serving the quadruple work, and then put these plans into effect. If we attain the above-mentioned demands, we can say that we have met, or will meet, the goal of submitting ourselves to and serving the party's general task and goal.

The major ways to straighten out the guiding ideology in our professional work are: 1) conscientiously study Marxism-Leninism-Mao Zedong Thought, the party's general task and goal, and the line, principles, and policies of the CPC Central Committee in order to actually understand their essence; 2) conduct investigations and studies to clearly understand the current situations of our country and our province and the actual situation of all professions and trades; 3) conduct criticism and self-criticism, and sum up both positive and negative experiences; and 4) carry out experiments for reform, discover and solve contradictions, and gradually grasp the objective law of things.

Comrade Su Yiran said: We should further understand the importance of education on thoroughly negating the Great Cultural Revolution, and should comprehensively and thoroughly negate the Great Cultural Revolution. In the previous stage, we paid attention to eliminate factionalism, and criticized the ideas that one faction is right while the other wrong, and one faction is consistently correct, yielding fair results. Henceforth, continued efforts should be made in this regard. Factionalism should always be criticized, negated, and eliminated and should never be allowed. Meanwhile, we should pay attention to negating the so-called theory of continued revolution under the dictatorship of the proletariat, and the leftist policies and mass democracy implemented under this erroneous theory. Some units and leading cadres, for instance, discriminate against knowledge and intellectuals. Some are apt to create trouble because they think that minor problems can be solved by creating a little trouble and major problems can be solved through creating a lot of trouble. Such practices result from leftist policies and work style and thus should be criticized and eliminated. We should also pay attention to negating and eliminating customs handed down from the Cultural Revolution, such as anarchism, liberalism, and individualism; the practices of being fond of inquiring about and spreading rumors, arbitrarily reproaching leading cadres behind their backs, and flying into rebellious rages at the slightest provocation; and such writing styles as telling lies, talking big, indulging in idle talk, and only making polite remarks. In negating and eliminating such erroneous customs, we should adhere to the principle of positive education, and guide the people to enhance their understanding through conducting studies and discussions.

Comrade Su Yiran said: Penetratingly investigating and dealing with serious bureaucratic practices and abuse of power for personal gain is an important task in the rectification-correction stage. Leaders should pay great attention to this task, placing emphasis on the investigation and handling of problems that have cropped up since the 3d Plenary Session of the 11th CPC Central Committee and particularly since the promulgation of the guiding principles. Leaders and the masses should make concerted efforts to discover the truth and the causes of these problems one by one, clearly understand the nature of these problems, and deal with them correctly. By no means should we settle these problems by leaving them unsettled or settle them perfunctorily.

Comrade Su Yiran stressed that the building of leading bodies should be strengthened. He said: Through organization restructuring, leading bodies of various provincial level organs have made a big stride in meeting the four requirements of cadres, and the general situation in this regard has been good. However, some units' leading bodies have not been restructured as yet, and a few leading bodies that have already been restructured are still imperfect.

Organizational departments should actively help these leading bodies solve their problems. As for the leading bodies of most units, self-construction should be strengthened in order to constantly raise their leading and fighting capacity. CPC committees and leading party groups of all units should further implement the party's principle of democratic centralism, and strengthen unity among the ordinary people. Meanwhile, they should conscientiously change their work style and improve work methods so that they can become a firm core in leading cadres and the masses to create new situations. Continued efforts should be made to eliminate the three types of persons and build the third echelon.

On strengthening leadership over party rectification, Comrade Su Yiran said: The key to ensuring high-standard fulfillment of the party rectification task lies in the leadership of CPC committees. Top leaders of CPC committees and leading party groups should pay attention to party rectification work, and the comrades in charge of the work must attend to it wholeheartedly. Proper arrangements should be made for reform, economic work, and work in other fields in order to ensure that reform and economic work will develop equally and promote each other. Attention should always be paid to overcoming slackness and impetuosity. Work should be vigorously developed instead of perfunctorily.

For units which began party rectification ahead of others, the period of the rectification-correction stage should be extended, tentatively postponed to the end of October. Such units ~~will not be allowed to enter the next stage until permitted~~ to by the Central Commission for Guiding Party Rectification. Once the comparison and examination work is basically completed, units which began party rectification later may enter the reactivation-correction stage after making a brief summary to party members. Units where party rectification develops very slowly should properly lengthen the time for party rectification activities.

At the meeting comrades of the provincial metallurgical company, the Foreign Trade Bureau, the supply and marketing cooperative, the Construction Commission, and the Economic Commission introduced their experience in conducting comparison, examination, rectification, and correction. Attending the meeting were Standing Committee members of the provincial CPC Committee, the Advisory Commission, the Discipline Inspection Commission, and the People's Congress; members and advisors of the leading party groups of the provincial People's Government and the CPPCC Committee; members and advisors of various provincial level departments, commissions, offices, bureaus and companies; secretaries and deputy secretaries of CPC committees of various organs; responsible persons of the party rectification office; and party rectification liaison officers sent to the provincial level organs -- a total of 950 people.

SU YIRAN RECEIVES SHANDONG MODEL WORKERS

SK280538 Jinan Shandong Provincial Service in Mandarin 2300 GMT 27 Sep 84

[Excerpts] Fifteen model workers and advanced persons of our province left Jinan for Beijing on the evening of 27 September to participate in the celebrations for the 35th anniversary of the founding of the PRC. Before their departure, they were received by leading comrades of the provincial CPC Committee and government, including Su Yiran, Liang Buting, Lu Maozeng and Li Changan.

GUANGDONG FIRST SECRETARY URGES BUILDING PARTY

HK270334 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 26 Sep 84

[Text] According to a report carried in NANFANG RIBAO, on 5 September, Ren Zhongyi, the first secretary of the provincial CPC Committee, personally convened and chaired a forum to conduct a special study of the problem of strengthening the building of the party-member ranks under the new situation.

At the forum, those present analyzed the condition of the party-member ranks at the present moment. They held that the mainstream of the party-member ranks of our province is good, but there are problems worth attention, and conscientious efforts should be exerted to tackle them.

Comrade Ren Zhongyi made an important speech at the forum. He emphasized: Under the condition that economic construction is the main task, it is absolutely impermissible to neglect the building of the party. At present it is necessary to adopt practical measures to strengthen the building of the party, further strengthen the education of party members, and continue to attach importance to and grasp well the work of developing the recruitment of party members. It is necessary to perfect the party's system of organization system and the party's discipline. It is absolutely necessary to go a good job in party rectification work, and strengthen the building of the party-member ranks.

GUANGDONG'S REN ZHONGYI COMMENDS HOUSEHOLDS

HK270336 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 26 Sep 84

[Text] This morning, a meeting was held in (Zhudao) guesthouse in Guangzhou to commend and award prizes to outstanding specialized households in the province.

Ren Zhongyi, first secretary of the provincial CPC Committee, and Yang Deyuan, vice governor, were present at the meeting to convey congratulations to the representatives attending the meeting on behalf of the provincial CPC Committee and government.

At the meeting Comrade Ren Zhongyi said: This meeting to commend the outstanding specialized households is very important. Although the scale of this meeting is not large, its significance is important. The 40 outstanding specialized households elected at this time are chosen from among the more than 1 million specialized households in the province. The specialized households are pioneering peasants who have taken the path of becoming rich through hard work, and are the examples in leading the peasants in taking the road to affluence. From now on, they should play the role of models and leaders in this regard on a larger scale. Finally, Comrade Ren Zhongyi proposed to the representatives of specialized households, and, through them, to the specialized households throughout the province, that they should endeavor to take the lead in implementing the principles and policies of the party and responding to the call of the party, in doing pioneering work through labor, in studying and popularizing new technology, in reform, operation and management, and in caring for the collective and being enthusiastic about public welfare work.

GUANGDONG CIRCULAR ON IMPLEMENTING PRICE CONTROL

HK260754 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 25 Sep 84

[Text] The provincial Price Control Department issued a circular recently calling on the price control offices at various levels to earnestly implement the provisional regulations on price management respectively promulgated by the State Council and the provincial government and strictly deal with the violations of the regulations by units and individuals.

The circular stressed giving full play to the role of social supervision over pricing and called on the masses of various fields to complain and expose, by letters or through telephone calls, the violations of the price management regulations by units and individuals. The price control offices at all levels should conscientiously handle the complaints and reward the people who have rendered good service to the exposure of the violation cases.

HAINAN PROMOTES INTELLECTUALS TO LEADING POSTS

HK270225 Haikou Hainan Island Service in Mandarin 0330 GMT 26 Sep 84

[Excerpt] According to HAINAN RIBAO, by integrating the practice of structural reform, party organizations at various levels in the district are boldly promoting and appointing intellectuals in connection with the requirements of the principles of revolutionization, younger age, higher education, and greater professional competence. Since the second half of last year the areas inhabited by the Han people have promoted 2,033 intellectuals to assume leading posts at various levels. Of them 241 people have been appointed as standing committee members of city and county CPC committees, deputy mayors, and cadres at and above the deputy department head levels. Ninety-six people have been appointed chief and deputy department heads of district governments and chief and deputy department heads of the county authorities. Also 1,606 people have been appointed chief and deputy section head of district governments and chief and deputy bureau heads of the county authorities. Also 90 people have been appointed chief and deputy secretaries and chief and deputy department heads of the district CPC Committee and the district government.

Since the second half of last year, party organizations at various levels in the district, in the work of structural reform and readjusting the leading groups, have rectified the guiding ideology, eliminated leftist influences, and done well in investigation. They have paid attention to promoting a number of intellectuals who meet the requirements of the four modernizations and are bold in making innovations to assume leading posts at various levels. Therefore, the proportion of intellectuals in the leading groups at various levels has increased, and their education background has been improved.

In order to do well in promoting and appointing intellectual cadres, party organizations at various levels also attach great importance to establishing the reserve cadre system, and successfully grasp the building of the third echelon. Most of the 1,400 reserve cadres in the district, who are elected through democratic ways, or recommended through the assessments of organizations, or approved by party committees through discussion, are young intellectuals. Moreover, party organizations at various levels also attach great importance to promoting nonparty member intellectuals to assume leading posts at various levels.

WEI CHUNSHU VIEWS GUANGXI'S NATIONALITY WORK

HK270245 Nanning Guangxi Regional Service in Mandarin 1130 GMT 26 Sep 84

[Excerpts] The delegates attending the Guangxi gathering to commend advanced collectives and individuals in nationality unity gathered in the Nanning Theater this morning to continue their meeting. Regional CPC Committee Deputy Secretary and Government Chairman Wei Chunshu delivered a report entitled "The people of all nationalities in the region should unite to invigorate Guangxi." The report was in three parts: 1) the situation in nationality unity in the region is getting better and better; 2) a number of experiences in promoting nationality unity; 3) strengthen nationality unity and invigorate Guangxi.

Present at the gathering today were Jiang Ping and (Su He), members of the central delegation; and leading members of the party, government, and Army in the region Huang Yun, Jin Boasheng, Huang Rong, Zhang Shengzhen, Ou Jiwen, Bi Kezhou, and (Yu Wenxi). Also present was (Xu Anshun), leader of the Jiangsu delegation. Gan Ku, vice chairman of the regional government presided.

In part one of his report, Comrade Wei Chunshu said: Guided by the spirit of the 3d Plenary Session of the 11th CPC Central Committee, we have implemented the party's nationality policy, and the social status and political rights of minority nationalities have been affirmed afresh. As a result, nationality relations have been improved, nationality unity has been strengthened, and the economy and culture have developed. The region's political and economic situation is getting better and better.

1. We have strengthened leadership over the party's work concerning nationalities, and the nationality policies have gradually penetrated into people's minds. During the Cultural Revolution the party's nationality work policies were wrecked, and nationality work became non-existent. Since the 3d Plenary Session of the 11th Central Committee, and especially since last year, we have seriously brought order out of chaos, totally negated the Great Cultural Revolution, rehabilitated the victims of miscarriages of justice, handled problems left over from the Great Cultural Revolution, and revived the fine traditions of nationality work. The party has strengthened afresh its leadership over nationality work.

In 1980 we revived the Guangxi Minority-Nationality Spoken and Written Language Work Committee and the Guangxi Zhuang Language School. We have revived the use and popularization of the Guangxi Nationality College and the Guangxi Nationality Cadre College. We have also set up nationality cadre schools in the prefectures. A large number of minority-nationality cadres have been cultivated and trained.

In the course of structural reform, the regional CPC Committee has set up a nationality work leadership group. The regional government has set up an office to deal with construction in old revolutionary bases, minority-nationality areas, and remote, mountainous, and poor areas. The regional CPC Committee recently set up a regional nationality work force and sent cadres to help with work in the minority-nationality areas.

Thanks to the revival and establishment of nationality work organs at all levels, the normal conduct of nationality work has been guaranteed. The party organizations and people's government at all levels have conducted education in nationality policy and unity, focusing on the party's central tasks.

2. The policy of autonomy for minority-nationality areas has been further implemented, and the rights of minority nationalities as masters of the house have been further guaranteed. Under the earnest concern of the CPC Central Committee, Guangxi set up the Guixi Zhuang Autonomous Area in December 1952, and this was changed to the Guixi Zhuang Autonomous Prefecture in 1956. The Guangxi Zhuang Autonomous Region was established in March 1958. At the same time, in view of the population distribution of minority nationalities, we established the Longsheng, Jinxiu, Rongshui, Sanjiang, Longlin, Duan, Bama, Fangcheng, Fuchuan, and Luocheng nationality autonomous counties.

In the course of socialist revolution and construction, the party committees have accelerated the cultivation and selection of minority-nationality cadres. During the structural reform and readjustment of leadership groups in the past 1 or 2 years, we have selected a large number of minority-nationality cadres who meet the criteria of four transformations to undertake leadership duties at all levels. According to statistics of mid-September 1984, the region has a total of 672,868 cadres, of whom 207,208 -- 30.8 percent -- are of minority nationalities. At present, the people's congress standing committees and people's governments of the autonomous region and of all the autonomous counties are headed by minority-nationality cadres. A number of regional departments and bureaus are also headed by minority-nationality cadres. The region's nationality legislative work is actively unfolding. The nationalities have started to exercise their rights in independently handling their own affairs.

3. There have been new developments in the economy of nationality areas, thanks to vigorous state help. Since the 3d Plenary Session of the 11th CPC Central Committee, the regional CPC Committee and government have attached importance to economic construction in the minority-nationality mountain areas. In accordance with the spirit of the central forum on work in Xizang and the national conference on production and livelihood in minority-nationality areas, we have studied the development of production in the mountain areas and formulated policies and measures for this. We have established production bases for grain, sugarcane, forestry, fisheries, animal husbandry, and indigenous products.

4. Nationality culture and education have been revived and developed, and nationality customs have been respected everywhere. To meet the needs of economic development in the nationality areas, the regional CPC Committee and government have attached great importance to training specialized technical talent among the minority nationalities, and vigorously accelerated the work of exploiting intelligence. From 1977 to 1983, institutes of higher education enrolled 56,402 students in Guangxi, of whom 12,488 -- 21.9 percent -- were of minority nationalities.

Stresses Unity

HK280153 Nanning Guangxi Regional Service in Mandarin 1130 GMT 27 Sep 84

[Excerpts] In part two of his report to the Guangxi regional nationality unity commendation gathering, Comrade Wei Chunshu said: In the 35 years since the founding of the state, and especially since the 3d Plenary Session of the 11th CPC Central Committee, the relations between China's nationalities have been harmonious and nationality unity has developed well. We have accumulated a number of experiences in promoting nationality unity. In summary, there are five main ones, as follows:

1. Seriously eliminate leftist ideology, boldly cultivate and promote minority-nationality unity, and thus uphold nationality unity. A leading central comrade has pointed out that our main error since the founding of the state has been that of leftism.

This leftist error has penetrated into every department and field. Nationality work has similarly suffered leftist interference and sabotage. Only by eliminating leftist ideology can we truly implement the party's nationality policies and promote nationality unity.

Guangxi implemented the party's nationality policies relatively well up to 1957. The nationalities united for action and made great contributions in building socialism together. However, while opposing rightism, we vigorously opposed local nationalism and erroneously labeled a number of minority-nationality cadres as rightists and local nationalist elements, striking them down. This damaged the activism of the minority-nationality cadres, and nationality relations were seriously hit. It was precisely under these conditions that the Guangxi Zhuang Autonomous Region was established. The party's nationality policies were not seriously implemented.

During the 10 years of internal turmoil, we implemented the absurd theory of Lin Biao and Jiang Qing that the nationality question was in essence a class question. As a result, splits developed between the nationalities and all kinds of miscarriages of justice were perpetrated.

In the past 2 years, as a result of bringing order out of chaos and totally negating the Great Cultural Revolution, we have handled problems left over from the Cultural Revolution, and rehabilitated the victims of miscarriages of justice perpetrated in previous political campaigns. A large number of minority-nationality cadres have been reassigned to work. Some of them are undertaking leadership duties. Their enthusiasm has been mobilized, and relations between party and masses and between nationalities have been effectively improved. Thus, nationality unity has been strengthened. The experiences of history show that our nationality unity is sabotaged whenever it comes under leftist influence; and our nationality unity is successfully promoted whenever we eliminate leftist influence.

A very important point in eliminating leftist ideological influence is to eliminate the leftist idea that minority-nationality cadres have few qualifications, low educational standards, and lack ability, and that it is very difficult to assign them work. We must firmly establish the concept that we cannot do without minority-nationality cadres in order to make a success of nationality work. Whether viewed historically or from the present moment, Guangxi has talented people, and there is talent among the minority nationalities. We must actively cultivate and boldly promote minority-nationality cadres to leadership posts at all levels.

2. Leading cadres must set an example in personally grasping and advancing nationality unity. Many facts have proven that as long as the leading cadres at all levels seriously attach importance to nationality unity work and personally grasp it, all problems, no matter how great, can be solved. The core of strengthening nationality unity lies in strengthening the unity of the party, and especially unity between leading cadres of all nationalities. Questions of nationality disputes and contradictions are very complex. Some emerged in the past, and some are emerging now. Some are political in nature, and others have to do with economics and culture. Generally speaking, the majority of them are contradictions among the people. The leading cadres at all levels must take the stand of party spirit when handling nationality contradictions and disputes, uphold party principles, constantly set an example, and be models in promoting nationality unity. They can then advance the great unity of all nationalities. As far as method is concerned, we must pay attention to using criticism and self-criticism, provide guidance, conduct more ideological education, and avoid oversimplifying things. These methods produce very good results.

3. Sincerely and wholeheartedly help minority nationalities develop the economy and culture and thus promote nationality unity. Since the founding of the state, and especially since the 3d Plenary Session of the 11th Central Committee, the CPC Central Committee and State Council have shown great concern for construction and people's livelihood in the minority nationality areas, and have provided great support. From 1980 to 1983 they allocated 120 million yuan in development capital to the region. From 1979 to 1984 the region allocated from local finances 230 million yuan in nationality mobile funds. From 1980 to 1984, the state allocated 25 million yuan in nationality subsidies to the region. The release of this capital has played an important role in accelerating the region's economic development and improving living standards.

In order to successfully utilize this capital, we have summed up experiences and lessons. Since last year we have adopted the method of concentrated utilization and key-point support. We first helped the 155 poorest communes improve their situation. The results of this were good. In the guiding principle for developing production, we have persistently based our efforts on actual conditions, taken advantage of local resources, and vigorously promoted diversification.

4. Uphold equality of nationalities, and promote mutual learning and assistance, thus strengthening nationality unity. During the 10-year catastrophe, the existence of the nationality problem was denied, and still less could the special characteristics of the nationalities be recognized. Nationality relations became tense at one time. Since the third plenary session, we have eliminated leftist influence and adopted a number of special policies for the minority nationalities. The minority-nationality masses feel that they hold equal status in the great socialist family. Thus nationality relations have been further improved and nationality unity has been strengthened.

Among the nationalities, we have paid attention to mutual learning and assistance and have established the idea that Hans and minority nationalities cannot do without each other. We have paid attention to overcoming both great Han mentality and local nationalism.

5. Respect the customs of the minority nationalities and thus promote nationality unity. Respecting these customs is an integral part of the party's nationality policies. Practice has proven that respecting minority-nationality customs and actively turning out special products for the minority nationalities play a positive role in improving nationality relations, strengthening nationality unity, and promoting the common development and prosperity of all nationalities.

ZHOU HUI AT NEI MONGGOL MEETING ON ENTERPRISE WORK

SK280452 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 27 Sep 84

[Text] Recently the Organizational Department of the regional CPC Committee held a work meeting on building enterprise leading bodies in Hohhot. The meeting emphatically discussed the question of readjusting and building 39 large and medium-sized key enterprises in the region and relayed the guidelines of the national forum on the work of building enterprise leading bodies.

Li Xiangyi, Standing Committee member of the regional CPC Committee and director of the Organizational Department, gave a report. In his report, he set forth six principles for the readjustment of enterprise leading bodies. First of all, he urged that this readjustment must be conducive to changing the enterprises' job from only production to production and business in order to raise economic results. Efforts must be made to gradually raise the educational structure of leading bodies. Leading bodies must have both determination and genuine talent. Through readjustment, leading bodies must be organized with a reasonable age structure. A few old comrades around 50 years old should be kept in leading bodies after readjustment, and we should further choose and promote excellent cadres in their 40's and 30's to leading bodies so that the age structure of leading bodies will be conically shaped. At the same time, we must pay attention to the structure of the entire membership of leading bodies. Leading bodies must be instilled with talented persons in all fields and with cadres who are both able to make an overall plan and are able to create situations in certain fields. In short, efforts must be made to choose younger cadres. The work of readjusting leading bodies of enterprises will comprehensively spread out on a large scale after National Day. The central authority urged that most enterprises must finish their readjustment work by the end of this year.

Regional party and government leading comrades Zhou Hui, Bu He, Qian Fenyong, Liu Guiqian, and Liu Zuohui called on the participants at the meeting.

PROFIT DELIVERY REPLACED BY TAXES IN NEI MONGGOL

SK280500 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 27 Sep 84

[Text] Our region will comprehensively carry out the second step in tax reform work on schedule. The Seventh Session of the Sixth NPC has decided to formally carry out the industrial and commercial tax reform and the second step in substituting tax payments for profit delivery on 1 October.

State-owned enterprises will pay 11 forms of separate taxes to the state instead of delivering profits to the state. This is a step-by-step transition from simultaneously delivering profits and paying taxes to completely replacing profit delivery with tax payments. Our region will levy seven forms of taxes, including a product tax, value-added tax, salt tax, business tax, resources tax, an income tax for state-owned enterprises, and a regulatory business tax for state-owned enterprises. The four local taxes, including maintenance and construction taxes in cities, real estate taxes, taxes for land use, and a vehicle and boat tax, will be levied on a delayed basis.

A total of 3,685 state-owned industrial and commercial enterprises in our region should carry out the second-step tax reform. At present all localities and departments have fully attended to the tax reform work and concentrated efforts on attending to various preparatory work in order to ensure a smooth implementation of the tax reform work on 1 October.

HEILONGJIANG HOLDS PARTY RECTIFICATION SESSION

SK270446 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 26 Sep 84

[Excerpts] From 20-22 September, the provincial Commission for Guiding Party Rectification under the provincial CPC Committee held its eighth session for listening to work reports on party rectification by six units -- the provincial Water Conservancy Department, the provincial Commercial Department, the provincial Educational Department, the provincial People's Higher Court, the provincial Light Industrial Department, and the office of the provincial CPC Committee. In accordance with their specific conditions, the commission gave them direct concrete guidance, and made suggestions on the work ahead in concentrating on party rectification and making corrections.

The session held that these six units had conscientiously and solidly attended to party rectification work, persistently corrected mistakes in the course of rectification, and firmly attended to the work of concentrating on making corrections and carrying out rectification. They have successfully made party rectification and reform promote each other, made outstanding achievements in all work, and may arrange the future work of party rectification.

Leading comrades of the provincial CPC Committee pointed out: Efforts must be made to successfully conduct education on thoroughly negating the Great Cultural Revolution, continue attending to the work of eliminating the three types of persons, and resolutely eliminate them from leading posts and key departments. Never can the three types of persons be allowed to sneak into the third echelon. With regard to eliminating factionalism, we should eliminate not only the factionalism of the Great Cultural Revolution, but also the converted factionalism from after the Great Cultural Revolution and ideological as well as organizational factionalism. We should oppose practices that run counter to party spirit, such as going without organization or discipline, allowing mass democracy, anarchy, and going through private channels. We should further eliminate the baneful influence of the Great Cultural Revolution. All party members should conscientiously review history; sum up what good things they have lost and what evil things they have engendered in the organizational, ideological, practical and disciplinary fields; make efforts to restore the good and eliminate the bad; and really make ideological progress.

A leading comrade of the provincial CPC Committee pointed out: We should resolutely investigate and handle the serious bureaucratic problems in taking advantage of one's functions to seek private gains.

A leading comrade of the provincial CPC Committee pointed out: We should strengthen the construction of leading bodies at all levels and achieve organizational and ideological construction. Neither new cadres nor old ones can hold lifetime jobs.

JILIN PARTY RECTIFICATION UNITS HOLD MEETING

SK280446 Changchun Jilin Provincial Service in Mandarin 2200 GMT 27 Sep 84

[Text] From 23 to 26 September the party rectification guidance group of the provincial CPC Committee held a report meeting of the second group of experimental party rectification units in Changchun to sum up and exchange their experiences in experimental party rectification work over the past 3 months, and to study and devise how to make comparison and examination work successful and with high standards.

At the report meeting 12 units, including the Liuhe, Shuangyang, and Qian Gorlos county CPC Committees, gave briefings on their experiences and way of doing things in the experimental party rectification work.

The meeting concentrated on discussing and studying ways to strengthen guidance and carry out high standards of comparison and examination work. Responsible comrades of the various city, prefectural, and autonomous prefectural CPC committees exchanged their experiences in carrying out party rectification work among organs at the city, prefectural, and autonomous prefectural levels and among large, medium-sized, and small backbone enterprises.

The meeting held that, judging from the general situation, the 3-month experimental party rectification work of the second group of party rectification units was good, laying a good foundation for making comparison and examination. However, some units have not yet begun to conduct education on the special topic of thoroughly negating the Great Cultural Revolution, some units failed to do solid work, and still others failed to firmly conduct rectification and make corrections simultaneously.

The meeting pointed out that education on thoroughly negating the Great Cultural Revolution is a basic education. All serious problems of the party with regard to ideology, work style, and organizational impurities are directly related to the Cultural Revolution whose pernicious influence still seriously obstructs party organizations and party-member ranks from maintaining political, ideological, and organizational unity. It is impossible to fulfill the four tasks of party rectification without thoroughly negating the Cultural Revolution. In the course of party rectification, it is necessary to thoroughly negate the Cultural Revolution and eliminate factionalism. This work must be done with meticulous care. Comparison and examination work cannot be carried out without thoroughly solving these problems. Comparison and examination is the key stage of party rectification and a decisive link for guaranteeing that work in party rectification is not perfunctory. Therefore, we must integrate with reality, sum up experience and lessons, and eliminate leftist influence and the idea of following old ways in order to conduct high standard comparison and examination. Each and every party member is affected by the leftist influence to a varying degree. Only by deeply and thoroughly eliminating the leftist ideological influence can we distinguish between right and wrong and fundamentally solve the problem of maintaining unity with the CPC Central Committee: While eliminating the leftist influence, we should conscientiously solve the problem of weak and listless leadership and check the bureaucracy of being irresponsible to the party and the people and the unhealthy trend of abusing one's power to seek personal gain. The above unhealthy trend and bureaucratic problems that cause serious losses must be investigated and strictly handled.

The meeting called for conducting high-standard comparison and examination work. Each and every unit must attend to the quality of its comparison and examination work and must conduct strict acceptance tests. Any unit that cannot not attain the required standards must make up for what it has missed, so that all the people inside and outside the party will see the substantial results of party rectification.

The meeting also set forth demands and made arrangements for the forthcoming large-scale provincial party rectification work. Comrade Wang Xianjin spoke at the meeting.

REACTION TO PRC-UK ACCORD ON HONG KONG

Premier Yu Kuo-hua

BK261422 Hong Kong AFP in English 1403 GMT 26 Sep 84

[Text] Taipei, Sept 26 (AFP) -- Nationalist Premier Yu Kuo-hua today urged Chinese in Hong Kong to continue to resist communism by actively taking part in local elections to enhance their chances of safeguarding freedom and democracy. In a statement, Premier Yu also accused the British Government of "pushing 5.5 million people under communist totalitarian enslavement, creating disgrace in human history." In addition, Mr Yu took the Beijing regime to task for "deceiving the world and the people in Hong Kong and Kowloon" by promising an illusion of "one country with two systems," which he said was in total contradiction with the terms of mainland China's Constitution. Observers had seen China's agreement with Britain on Hong Kong under the one country-two system basis as a key move in Beijing's strategy for peaceful reunification with Taiwan, bastion of the Nationalists since they fled the communist armies in 1949.

Mr Yu listed support to Chinese in Hong Kong and Kowloon, including the promise that Taiwan would lend all necessary support to Chinese willing to remain in Hong Kong and Kowloon in their struggle for freedom. He said that Taipei's Overseas Chinese Affairs Commission had set up an information office to assist Chinese electing to resettle in Taiwan and said that Chinese in Hong Kong and Kowloon would be granted multiple reentry permits by the Taipei government. Hong Kong Chinese willing to settle in Taiwan would receive monetary assistance and priority would be given to those willing to invest or engage in trade in Taiwan, Mr Yu said. The Nationalist government earlier condemned the Sino-British agreement on Hong Kong, describing it as null and void.

Foreign Ministry

OW261045 Taipei CNA in English 1022 GMT 26 Sep 84

[Text] Taipei, Sept. 26 (CNA) -- The Republic of China's Ministry of Foreign Affairs Wednesday reproached Peiping and London for deciding the future status of Hong Kong residents. In the meantime, the ministry reiterated the concern of the government about the freedom, welfare and security of the over 5 million Chinese compatriots in Hong Kong. It has formed a high-level task force to work out effective measures to help people in Hong Kong continue to live in freedom. In addition, the ROC Government will offer the best assistance possible to those in Hong Kong and Kowloon if they do not wish to live under Communist rule and prefer to resettle in the Republic of China on Taiwan.

The Ministry recalled that on Nov. 11, 1943, the ROC Government signed an agreement on equal treatment with the British Government. Although the status of Hong Kong was not resolved at that time, the ROC Government rendered a memorandum to the British authorities stating that it reserved the rights of future negotiations over the Hong Kong issue, the ministry said. Therefore, the ministry added, the ROC Government should be the sole legal representative of China in the Hong Kong negotiations, and when the lease of Hong Kong, Kowloon, and the New Territory expires in 1997, they should be returned to the ROC Government. The prosperity and development of Hong Kong is the result of the diligence of the over 5 million Hong Kong residents who have been living under a free and lawful system. Many of the inhabitants in Hong Kong are freedom-loving people who risked their lives to flee from the tyrannical rule of the Chinese Communists on the China mainland. It would be an act against human rights and international justice to block these people behind the iron curtain; any freedom-loving people would not accept such an arrangement, the ministry said.

The Ministry of Foreign affairs called on all free and democratic nations and justice-minded people to give moral support to the Hong Kong residents and to strongly oppose the communist rule over Hong Kong.

Aid for Hong Kong Residents

OW280611 Taipei CNA in English 0256 GMT 28 Sep 84

[Text] Taipei, Sept. 27 (CNA) -- Representatives of several government organizations Thursday met to discuss how to assist Chinese residents in Hong Kong. Measures discussed include multiple entry-exit permits for those loyal to the government, their investment, resettlement, and education for those who wish to come to the Republic of China. Presided by Chairman of the Overseas Chinese Affairs Commission Tseng Kwang-shun, the meeting was attended by government officials from the Ministries of Foreign Affairs, Finance, Economic Affairs, Interior, Education, and the OCAC. Premier Yu Kuo-hwa announced Wednesday that the Government of the Republic of China will do everything possible to assist anticommunist Chinese residents in Hong Kong and Kowloon areas in resettlement, investments, entry-exit procedure, offshore banking deposits, and purchases of housing units. Tseng said that his commission has formed an information center in Hong Kong in dealing with such problems. Another center will be established in Kowloon on November 1 this year, he added.

Meanwhile, Ministry of Economic Affairs and its Investment Commission, Industrial Development Bureau, and Board of Foreign Trade also held a joint meeting to work for investment incentives designed for Hong Kong Chinese. Economics Minister Hsu Li-teh said that under the present circumstances Chinese in the Hong Kong-Kowloon area may face some inconveniences on foreign exchange settlements, and on investments in real estate. "However, we will do our utmost to remove such investment barriers." The National Assembly unanimously voiced its support of the government's statement against the draft agreement on the future of Hong Kong between Britain and Peiping. It also asserted that "the Chinese Communists are a rebellious group, and have no right to represent China and the Chinese people in concluding agreements with foreign countries." National Taiwan University's Hong Kong-Kowloon alumni issued a stern statement, expressing concern over the London-Peiping pact and lodging its protest. The Federation of Overseas Chinese Associations announced that it will call for joint efforts from Overseas Chinese organizations and Chinese residents abroad to support the Hong Kong Chinese in their fight for freedom. Most of the Overseas Chinese are strong supporters of the government here, an official of the federation said.

Aviation, Shipping Cooperation

OW270435 Taipei CNA in English 0256 GMT 27 Sep 84

[Text] Taipei, Sept. 26 (CNA) -- Communications Minister Lien Chan said Wednesday that the Government of the Republic of China is contacting the Hong Kong authorities for matters relating to the nation's aviation, shipping, and communication cooperation programs with Hong Kong. He said his ministry is drafting incentives to encourage Chinese shipowners in Hong Kong to gradually divert their investments here in the future. Some shipping and aviation experts in Taipei predict more and more shipping firms in Hong Kong will open their offices here soon. They also foresee no suspension of flights by the national flag-carrier, China Airlines, to Hong Kong at present.

A senior official of the airline said: "We highly value our base in Hong Kong and under present circumstances we anticipate no suspension of our flights to that island." Meanwhile, in response to a press report that the Chinese Communists will absorb 55 percent of the shares of the Hong Kong-based Cathay Pacific Airways, Minister Lien said: "We are not in any position to make comment on the case at present. We may be able to do so after further studies."

Taipei Commentary

OW261121 Taipei International Service in English 0100 GMT 26 Sep 84

[Station commentary]

[Text] Britain and Communist China will initial in a couple of days the final agreement they have reached on the future of Hong Kong. No matter what promises Peking has made to the people of Hong Kong after 1997, their fate has been sealed. With the Hong Kong issue out of the way, the Chinese Communist leadership can be counted on to step up the peace offensive against the Republic of China on Taiwan in the near future, probably as soon as the turn of this month when the Communists will celebrate the 35th anniversary of their usurpation of power. That's why Peking insisted that an agreement on Hong Kong be reached before the end of September.

While the Republic of China is Peking's next target, the communists will find it a very different target. Red China is able to get all it wants about Hong Kong because the city is a colony. Once the British Government has decided to yield to Peking's demands, the majority of the colony's residents have no choice but to go along because they can't afford to move out before the 1997 deadline. Taiwan is a province of the Republic of China and the seat of the country's legal government. If Peking has to attain its goal of peaceful reunification, it would have to get the consent of Free China's Government and people first. The Republic of China is not against peaceful reunification itself. What the 19 million free Chinese in Taiwan demand is that China be reunited under a democratic government. As long as Peking insists on the four basic principles of communist supremacy, there will be no negotiations between the two sides. Peking is aware of that. It has admitted this awareness by way of refusing to rule out the use of force against Free China. The communist regime has said many times that it will resort to force of arms if Taipei continues its refusal to surrender. But Free China can't be intimidated. It has been preparing to defend its freedom ever since Mao Tse-tung threatened to liberate by a bloodbath over 3 decades ago. Not counting the fact that Free China has its first line of defense in the form of the Taiwan Strait, it also has well-trained, highly-motivated, and reasonably well-equipped armed forces of half a million men. Above all, everyone in the Republic of China is determined to resist communist rule at any cost. Peking can enslave the Chinese in Taiwan only over their dead bodies. An invasion from the mainland will be resisted to the very last. The Chinese Communist leadership is aware of that too. Hence, Peking has consistently pressured the U.S. to stop selling defensive weapons to the Republic of China. We don't believe any American administration will be foolish enough to bow to such pressure. But the Republic of China is taking no chances. It has been developing and manufacturing better weapons systems by its own defense industry besides trying to buy them from other countries in the free world. However, it does not mean that China will remain divided for good. The Republic of China's call for reunification under a democratic system has far greater appeal than Teng Hsiao-ping's four basic principles. The Chinese people on the mainland will sooner or later make their choice.

YOUDE PRESS CONFERENCE ON PRC-UK DECLARATION

HK270857 Hong Kong Domestic Service in English 0800 GMT 27 Sep 84

[Governor Sir Edward Youde press conference at the Government Information Services Theater -- live]

[Excerpts] [Youde] Well, good afternoon ladies and gentlemen. I'm very glad to be able to welcome you to this press conference, and no doubt you are finding it a unique experience. I do not propose to make any long introductory statement. You will have all seen, and some of you will have heard, the statement I made in the Legislative Council last night, but it may be useful if I was to remind you of some of the main points which I made in that statement. In it I explained that because the 1997 deadline existed, it had to be dealt with, and it had to be dealt with now, because I believe it would not have been right to leave the Hong Kong community in continuing doubt about its future. I explained in the statement that in the view of the British Government, any agreement had to meet two essential requirements: It had to provide, in sufficient detail and in familiar language, for the continuity of those systems and circumstances which the people of Hong Kong regard as essential. Moreover, in order to give confidence both in Hong Kong and to the world at large in the provisions of the agreement, there had to be a binding commitment on the part of both governments involved to implement all its provisions.

I explained my view that the agreement met squarely those essential requirements. I also said that the agreement was important because it removed an obstacle. Uncertainty about 1997 had become a deterrent to confidence and progress. Now Hong Kong can move ahead once more. And finally, let me remind you of the summing up which I made in that statement. I said that the agreement is an agreement which takes account of Hong Kong's needs and of the realities of history. It foresees that change must come, but in providing for that change it provides also for the preservation of the essential elements in our society. As far as it is possible for governments today to provide for the future, it removes the uncertainty which existed because of the 1997 deadline. It constitutes a blueprint for a new stage in Hong Kong's development, and as such I recommended it to the community, and I expressed my firm conviction that with their widely-recognized ability to adapt to change and to respond to opportunity, there was no doubt in my mind that the people of Hong Kong could make it work and could build for themselves a successful future. Those were the main points which I made last night, and I would like to reiterate them again today.

[Beacroft] Nick Beacroft, Radio Hong Kong. Referring to the white paper, Sir Edward, her majesty's government says there is no possibility of an amended agreement, and the alternative to acceptance of the present agreement is to have no agreement at all. Therefore, why bother to have an assessment office? Is it like some Labor MP's have said, who have visited the territory, just window dressing?

[Youde] The reason for having an assessment office is very simple. It is that it has always been stated that the objective was to find an agreement which could be acceptable to the people of Hong Kong. It is therefore, in my mind, essential to be sure that the people of Hong Kong do have an opportunity to state their view on the acceptability of the agreement as a whole, and the assessment office is a very good way of giving them the opportunity to do that. I cannot think why anybody would wish to deny them that opportunity.

[Beacroft] But if they say no, what will happen?

[Youde] I recommended the agreement to the people of Hong Kong because I believe that it is a good agreement and it is an agreement which I believe they will find acceptable, so the question is hypothetical.

[Biddulph] Jim Biddulph, BBC. What if people say it's not agreeable? You say it's hypothetical, but surely you have given them the opportunity to say yes or no. What if they say no?

[Youde] Well, the answer is set out in the white paper where the UK Government made quite clear that there is to be a transition in 1997. It can be a transition on the basis of what I believe to be a good and acceptable agreement, or a transition without that agreement. I have little doubt as to which is the best course.

[Mo] Claudia Mo from TVB News. Sir: What's going to happen to Hong Kong's overseas reserves, which amount to billions of dollars, before and after 1997?

[Youde] Well, if you are referring to the exchange fund, you will find a clear provision in the agreement which makes quite clear that the exchange fund will continue to be managed by Hong Kong and the Hong Kong SAR [special administrative region].

[Unidentified reporter] It's often the case that countries which have a lot of clout with each other will, having negotiated a treaty, try to change the terms of that treaty or get out of it. Now, this is not uncommon. One could quote perhaps the EEC countries [words indistinct]. How would you suggest that we should be convinced that the signatories to these agreements, or to this joint declaration, that they are going to stand by it, when Hong Kong has no clout and Hong Kong [words indistinct]?

[Youde] Well, I think the EEC countries would disagree rather violently with your proposition that they are trying to get out of it. In fact, I think that what all of them are trying to do is to make the best of it that they can and that they are all committed to it. In the case of this agreement, it seems to me that one of the strengths of the agreement is that it is freely negotiated, that it will stand because it is in the interests of those involved that it should stand. And as long as it is in the interests of those concerned that it should stand, and it is freely negotiated, and that they have committed their international prestige to it, and there is no doubt from the reaction around the world today that it is regarded internationally as a very important arrangement -- all those things seem to me to argue in favor of the commitment being honored by both the governments. I see no reason at all why they should wish to do otherwise. [passage omitted]

Standing from the proposition that the agreement cannot be amended, I don't think anyone would claim that we have been so prescient as to foresee everything that might need to be dealt with in the next 13 years, and it would be perfectly natural that if it was necessary in any way, as the secretary of state said last night, for the agreement to be amplified or clarified, that would be dealt with in the same spirit of practical and friendly cooperation in which the agreement itself has been drawn up.

[Fung] Simon Fung of Radio Hong Kong. I want to turn back to the question of consultation. Time and again the British Government has stressed the importance of consultation, but why, in the white paper, was there no assurance at all that the future important land commission and also the joint liaison group will have Hong Kong people representatives attending these [words indistinct]?

[Youde] Well, the consultation procedure of course was a very wide one. You are referring to one specific aspect which is mentioned in the agreement, which is: Who will be sitting on the joint liaison group and who will be sitting on the land commission? Well, these two groups are of course groups between the two governments, but you may be assured that on the British side there will be appropriate Hong Kong Government officials.

[Guterres] Halima Guterres, SOUTH CHINA MORNING POST. Many people have expressed fears that however the agreement may be, the question of whether it is agreed to by the Chinese side depends very much on the political climate in China. Given these fears, can the governor give an assurance that should the Chinese side go back on its promises, contingency plans exist to resettle those people who do not wish to live under communism?

[Youde] I think the beginning of your assumption is that there should be some reason why China would go back on this agreement. I see no reason to make that assumption. This is a freely negotiated agreement by the Chinese Government, in which they have committed their prestige, and on these occasions what we have tried to do in the agreement is to establish conditions in which people will feel confident that they stay in Hong Kong and live their lives as they have been living them already, so I think the important thing is that we have been trying to make arrangements for those who want to stay and have not been looking for arrangements which would make them want to leave. This is, I think, the kind of agreement which will be able to allay anxieties, and which I firmly expect the Chinese Government will adhere to.

[Lau] Emily Lau, FAR EASTERN ECONOMIC REVIEW. Sir Edward: It is stated in the joint declaration that the citizens of the future SAR government shall be able to enjoy all kinds of rights and freedoms such as freedom of speech, of the press, et cetera. Many Chinese in China right now are supposed to have many of these rights, although they may not be able to exercise them. So is there any indication that the Chinese leadership understand what these terms mean to the Hong Kong people?

[Youde] Yes, I believe that one of results of the negotiations was that there was a very full understanding. After all, we were talking for 2 years on these subjects of what people in Hong Kong value, the rights that they value, and what they understand by those rights and of course it is stated in the agreement that those rights which are enjoyed in Hong Kong under the law will continue and will continue to receive the protection of the law.

The agreement provides that the chief executive shall be a local inhabitant, and it makes provision in as far as it is possible to make provision this far ahead for the future governmental structure. But what we will be dealing with is people who will be acceptable to Hong Kong, and particularly in the case of the chief justice, there are very clear provisions concerning both his selection and the circumstances under which he might be removed. So the assurance in that regard is in the agreement.

[Name indistinct] from WEN WEI PO. Sir: Do you think that the concept of one country, two systems will work, and what's your comment on this?

[Youde] The answer is yes, I think it will work, and indeed the whole purpose of this agreement is to set out a way in which it can work, and also to set it out in sufficient detail and in a manner which I hope will give other people the same confidence that we have that it will work.

[Gittings] John Gittings, the GUARDIAN. Why was it necessary to have an exchange of memoranda on the question of nationality rather than having this embodied in the agreement, and does it imply a difference of opinion between Britain and China on the subject?

[Youde] Well, I think, we had an exchange of memoranda; in fact you will find in the agreement that there is the joint declaration, there is the annexes with two other subjects dealt with in annexes of their own, the joint liaison group and land, because that was found to be the best form in which to deal with it. And then the exchange of memoranda were designed in that way, again, because that was the most practical way of setting out, in a way acceptable to the two governments, the situation and the arrangements which they wish to make. They are formal statements of government policy on each side. The wording of each of the memoranda was known to and accepted by the other side. I think that speaks for itself.

[Fong] Fong Ying-wah of NEW EVENING POST [HSIN WAN PAO]. Before 1997, are there likely to be major changes in the higher ranks of the Hong Kong Government? Is there any consideration to establish the post of a deputy governor?

[Youde] There is nothing at the present time to, no plan at the present time to establish a deputy governor, if you mean by that a separate post of deputy governor, because having a deputy to the governor already happens, simply by the governor going away. But no, there is no plan at the present time to change the higher ranks of the government, which no doubt will be a comfort to those who occupy those posts.

[Leung] Karina Leung, ATV News. I would like to pursue an earlier question. Why is such an important issue as the nationality issue covered in the form of a memorandum which is not legally binding, instead of the annexes or in the joint declaration? And the fact that the granting of a new status will still be subject to approval in the British Parliament -- isn't there a possibility that this new status will after all not come into being at all?

[Youde] Well, you can be quite sure as regards the last part of your question, that it is the British Government's stated intention to put this to Parliament, it is simply a constitutional requirement that you cannot say in the UK that you commit Parliament. But I have no doubt at all that, given the degree of commendation that the government will put behind this arrangement, that Parliament will give it the most sympathetic consideration. As regards why is an important subject in an exchange of memoranda, the answer to that is, as I explained before, each of these subjects is dealt with in the form in which the governments felt it was best dealt with, and the fact that it is in an exchange of memoranda does not in any way mean that it is not regarded as an important one. On the contrary, there was an immense amount of attention and care given to devising this very practical answer to a practical problem.

[Reporter] [Name indistinct] from ORIENTAL DAILY NEWS. I would like to know, the agreement does not come into effect until the middle of next year, is there any guarantee the Chinese Government will not interfere or take over Hong Kong between now and the [words indistinct]?

[Youde] The question almost leaves me breathless. I can see no reason whatsoever why the Chinese Government would want to do other than put this agreement into effect.

[Reporter] I have a following question. Just because Chinese leaders have earlier said that if there are disturbances in Hong Kong, they will take over Hong Kong, if there is no guarantee, and we have this kind of unexpected things happen, then what can we do?

[Youde] Well I have no reason to expect, and I'm sure the Chinese Government have no reason to expect, that there will be any disturbances in Hong Kong. And indeed after, if there ever was any suggestion of that, which I don't think there was, there will be even less, it seems to me, of that possibility now that a satisfactory agreement has been initialed in Peking. I accept that that's not quite logical, if you say that it was not going to happen anyway, the chances of it happening are now even less, but I think my meaning will be reasonably clear.

[Pessin] Al Pessin from the Voice of America. I would like to ask about the balance of power in Hong Kong after 1997 between the SAR and Peking. Peking will appoint the chief executive and the department heads, but the people will elect the legislature. There are many countries which have elections but not democracy in the British or Western sense. Is there any indication that there will be more than one political party allowed in Hong Kong, for example, or just what form these quote elections unquote will take?

[Youde] Well there has been nothing specified in the agreement as to what form the elections will take. The period is of course some considerable time ahead, and we are just starting out here in Hong Kong in our consultations with the community on the future development of the government structure, and that is set out in the green paper. So I think the short answer to your question is that how the structure will develop between now and 1997 will depend to a great deal on how the community of Hong Kong want it to develop.

[Pessin] But China is not necessarily bound to follow whatever develops between now and then is it?

[Youde] Well, what China has undertaken to do is to respect certain principles, which are that there will be an elected legislature, that there will be an executive accountable to the legislature, and that the executive will be bound by the law. Those seem to me to be quite important principles. The concept of one country, two systems is indeed an imaginative one, but it is now more than an imaginative one, but how it will work in the case of Hong Kong is now spelled out in very substantial detail in this agreement and I think that certainly the reaction which I get today is that many people are surprised at the degree to which it has been possible to spell out these arrangements and the fact that they are spelled out gives them confidence that it will work. But as regards the UK, the UK of course will be relying on the same basic elements which I have outlined at the beginning, which is that it is a freely negotiated agreement, and it's an agreement which I repeat, represents the interests of all those involved, and there is no doubt that it is a commonality of interest which is the best guarantee of such agreements.

I think the most important thing for people in Hong Kong is to have the same confidence in themselves as I have in them. I believe that this is an agreement, and I said it last night, which they can make work and on which they can build a future. And I think the most important thing is to adopt a positive attitude and to make the best of the opportunity, because this agreement does offer an opportunity as well an assurance to make the best of that opportunity from now on, and to be involved in that enterprise.

[Brunson] Michael Brunson from ITN, Sir Edward: Can I just return to this concept of 100 percent sort of take-it-or-leave-it situation over the agreement. If for example you found that there was overwhelming unhappiness in Hong Kong over one specific point, perhaps, say, nationality, why shouldn't there be an attempt at a renegotiation of a very specific point if it turns out that there is very great disquiet about a specific point?

[Youde] Well, I would simply say that it is the normal and established practice that when you negotiate an international agreement that that agreement enshrines what has been agreed between the two countries, and if one side starts to try to unstitch it, and the other side then starts to unstitch it, then you end up with the whole thing becoming unstitched, and I know of no precedent -- but I don't pretend to be encyclopedic -- in which it has ever been suggested that international arrangements can be renegotiated all over again. Now this agreement has been negotiated over 2 years. It is a very carefully drawn up agreement, and I think it would be quite wrong not to take account of what is said in the white paper, that it must be taken as a whole.

[Unidentified reporter] I notice that you skirted various questions on nationality over the course of the press conference. Surely the fact that the nationality issue is treated in a memorandum is because it is not part of the agreement. It is not part of the agreement because both sides have agreed to disagree; and, Britain has to make the best of what is essentially a bad job in that area.

[Youde] No, I think what has happened is that both sides have agreed to agree on a practical arrangement which takes account of the positions of both sides. There is in that exchange of memoranda a very practical arrangement which gives those who will be affected, the British dependent territory citizens, a new status which will allow them to travel as they would wish or as many as would wish, on British passports, and the same arrangements still give people in Hong Kong a right of abode. So, far from being an agreement to disagree, it seems to me specifically an agreement to agree on a practical arrangement.

EDITORIAL DISCUSSES NATIONALITY ISSUE

HK280311 Hong Kong SOUTH CHINA MORNING POST in English 28 Sep 84 p 2

[Editorial: "Aliens in Their Own Land"]

[Text] Of the many points that call for comment in the Sino-British agreement the subject of nationality arouses deep misgivings. Those who are entitled to a British passport by virtue of being born in Hong Kong are confronted with the prospect that though Chinese they will become virtual aliens in their own land. For while still having a right of abode, along with those who have lived here continuously for at least seven years, they will not have consular protection either in the SAR or in China. Nor does their passport give them rights to settle in the country which issues the passport they will hold. The reasons for this are well known. First, Britain is unwilling to accept them as immigrants because of their numbers, and in the second place, it wants to ensure that as many people as possible remain in Hong Kong so that they can contribute to making the SAR a success after 1997. Peking, on the other hand, regards all Hong Kong Chinese as its own nationals despite allowing them the right to continue using British passports. This will leave many with a serious dilemma. For what is the point of continuing to hold a passport with such limited rights, and which might ultimately be held against them by a vindictive bureaucracy?

While they may feel it will permit them to travel more easily outside of China, ultimately they could find themselves the object of discrimination for not wishing to identify themselves with the country which claims them as its own. This may well force them to choose between emigrating or acquiring Chinese nationality and indeed many will be forced to make this decision before 1997 if only to ensure that they have a guarantee of abode for more than the next 50 years. In any case, their children born in the SAR after July 1, 1997 will not inherit their status, thus creating a political family division. No one can predict how many will throw in their lot with China or will seek to emigrate. So many factors are involved -- age, background, occupation, and family links being the most important. But it would be surprising if a good many of the BDTC passport holders do not put a high priority on emigration in the next 13 years regardless of how stable and secure Hong Kong remains. That applies even more to non-Chinese who could become stateless, though in this case the governor, Sir Edward Youde, yesterday promised some consideration by Britain. This is easier said than done, however, because there are likely to be many borderline cases who may have difficulty establishing a claim for special treatment.

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